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RESPECTING THE

[WITH MAP.]

OPIUM QUESTION IN CHINA.

*Presented to both Houses of Parliament by Command of His Majesty.
February 1908.*

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LONDON:

PRINTED FOR HIS MAJESTY'S STATIONERY OFFICE,
BY HARRISON AND SONS, ST. MARTIN'S LANE,
PRINTERS IN ORDINARY TO HIS MAJESTY.

And to be purchased, either directly or through any Bookseller, from
WYMAN AND SONS, LTD., FETTER LANE, E.C.; and
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Correspondence respecting the Opium Question in China.

No. 1.

Sir J. Jordan to Sir Edward Grey.—(Received September 20.)

(Telegraphic.)

Peking, September 20, 1906.

THE framing of measures for the strict prohibition of the cultivation and consumption of opium has been ordered by a Decree published to-day, which commands that within a period of ten years the complete eradication of the evils arising from native and foreign opium shall be effected.

No. 2.

Sir Edward Grey to Sir M. Durand.

Sir, *Foreign Office, October 17, 1906.*

THE American Ambassador told me to-day that his Government are much concerned with regard to the question of opium, which has been raised in connection with the Philippines, and he was instructed to ask me what view we should take of a Joint Commission on or a Joint Investigation of the Opium Trade and the Opium Habit in the Far East, to be undertaken by the United States, Great Britain, France, the Netherlands, Germany, China, and Japan.

I asked exactly what was meant by an investigation of the opium trade and opium habit.

The American Ambassador informed me that it was desired to come to a decision as to whether the consequences of the opium trade and opium habit were not such that civilized Powers should do what they could to put a stop to them.

I said that I must consult the India Office before I could give any answer on the question of such an investigation. But I might tell him at once that, though an interference with the import of opium into China would involve a great sacrifice of Indian revenue, that would not prevent the British Government from considering the question or incurring some sacrifice if it was clearly proved that the result would be to diminish the opium habit. The Chinese were understood to contemplate measures for stopping or restricting the consumption of opium in China, and if that were really to be done it would be a thing which we should encourage. If, on the other hand, China was simply to prevent the importation of foreign opium in order that individual Chinese might grow more opium themselves and realize a higher price for it in China, then it would be useless for us to make sacrifices. I would, however, consult the India Office, and let him know as soon as possible our view on the proposed investigation.

I am, &c.

(Signed) E. GREY.

No. 3.

Sir J. Jordan to Sir Edward Grey.—(Received November 17.)

Sir, *Peking, September 30, 1906.*

I HAVE the honour to transmit to you herewith, in translation, copy of an Imperial Decree ordering the complete removal of all the evils connected with opium smoking within a period of ten years, and giving instructions for the framing of such Regulations as may be considered necessary to insure the total prohibition of the cultivation and consumption of the drug.

The promulgation of this drastic announcement is due, I understand, largely to the initiative of his Excellency Tong Shoa-yi, who seems to have been much impressed

by the views he heard expressed on the subject during his recent visit to India. From conversations which he had with Mr. Baker, the Financial Secretary, and other Members of the Government of India, his Excellency came to the conclusion that India was prepared to dispense with the opium revenue, and on his return to China he informed his own Government that it was the Chinese craving for the drug, and not England's desire to force it upon China, which was now responsible for the continuance of the traffic. This view of the question received confirmation from Mr. Morley's recent speech in the House of Commons which the Chinese construed as an invitation to them to prove the sincerity of their desire for the cessation of the Indian import of opium.

Mr. Tong, from whom I received this account of the genesis of the present movement, could supply me with little information as to the steps which are to be taken to enforce the Edict, but the method of procedure, so far as it has been formulated at present, seems roughly to contemplate a gradual reduction of the area of cultivation of native opium, *pari passu*, with a corresponding decrease in the import of the foreign article. Smokers of the drug, if officials, are to be given a term of about six months in which to break off the habit, and the ordinary people are to be dealt with on a time scale graduated according to the degree in which they have become addicted to the habit.

It is true that the Chinese Government have in recent years effected some far-reaching changes, of which the abolition of the old examination system is perhaps the most striking instance, but to sweep away in a decade habits which have been the growth of at least a century and which have gained a firm hold upon 8,000,000 of the adult population of the Empire is a task which has, I imagine, been rarely attempted with success in the course of history; and the attempt, it must be remembered, is to be made at a time when the Central Government has largely lost the power to impose its will upon the provinces. The authors of the movement are, however, confident of success, and China will deserve and doubtless receive much sympathy in any serious effort she may make to stamp out the evil.

Apart from the difficulty of reforming people by legislative enactment, the fiscal side of the question is a very important factor in the situation, and one which will appeal to the Chinese quite as much as it would to any Western Government. The foreign import, which has been a gradually dwindling quantity during the last twenty years, stood in 1905 at 51,890 piculs,* of which 50,200 piculs were Indian, producing a revenue of 5,711,711 taels (859,136*l.*). It is calculated that the total production of native opium is about ten times as great as that of the foreign import, and that the revenue derived from it amounts to about 45,000,000 taels (6,768,750*l.*).

The policy during the last few years has been to centralize this revenue, and either make it available for Imperial needs or ear-mark it for such definite purposes as conservancy work at Shanghai or the payment of loans contracted by provincial authorities. The dislocation of the finances which the enforcement of the Decree would entail is a far more serious question in the present state of the national exchequer than the similar problem with which the Indian Government will have to deal in sacrificing the opium revenue, and added to this is the immense difficulty of stopping the growth of the poppy in at least four large and distant provinces—Shansi, Shensi, Szechuan, and Yunnan—in most of which it is now the staple crop.

I have, &c.
(Signed) J. N. JORDAN.

Inclosure in No. 3.

Extract from the "Peking Gazette" of September 20, 1906.

Imperial Decree.

(Translation.)

SINCE the restrictions against the use of opium were removed, the poison of this drug has practically permeated the whole of China. The opium smoker wastes time and neglects work, ruins his health, and impoverishes his family, and the poverty and weakness which for the past few decades have been daily increasing amongst us are undoubtedly attributable to this cause. To speak of this arouses our indignation, and, at a moment when we are striving to strengthen the Empire, it behoves us to admonish the people, that all may realize the necessity of freeing themselves from these coils, and thus pass from sickness into health.

It is hereby commanded that within a period of ten years the evils arising from

* 1 picul = 133½ lbs.

foreign and native opium be equally and completely eradicated. Let the Government Council (Cheng Wu Ch'u) frame such measures as may be suitable and necessary for strictly forbidding the consumption of the drug and the cultivation of the poppy, and let them submit their proposals for our approval.

No. 4.

Sir Edward Grey to Mr. Whitelaw Reid.

Your Excellency,

Foreign Office, November 22, 1906.

ON the 17th ultimo you informed me that you had received instructions to inquire what view His Majesty's Government would take of a Joint Commission or a joint investigation of the opium trade and the opium habit in the Far East to be undertaken by the United States, Great Britain, France, the Netherlands, Germany, China, and Japan.

I have now the honour to inform you that His Majesty's Government are willing to take part in such an inquiry if the other Powers named by your Excellency are likewise willing to participate, and if, as regards China, the inquiry extends to the production of opium in China as well as to the import of foreign opium.

I have, &c.

(Signed) E. GREY.

No. 5.

Sir J. Jordan to Sir Edward Grey.—(Received January 12, 1907.)

Sir,

Peking, November 26, 1906.

IN continuation of my despatch of the 30th September last, I have the honour to transmit to you herewith, in translation, copy of the Regulations which have been framed for the enforcement of the opium Edict of the 20th September. This paper has been furnished to me privately by his Excellency Tong Shoa-yi, but I understand that it will be made public in the course of a few days.

The Regulations are drawn up in eleven Articles.

The first deals with the restriction of the cultivation of the drug, enumerates the provinces in which it is chiefly grown, and enjoins on all Governors-General and Governors to have accurate returns made of the acreage under poppy cultivation, and compel the cultivators to diminish the area of cultivation by one-ninth each year until the production entirely ceases at the end of nine years. Infringements of the rule are to entail confiscation of the land, and rewards are offered to officials who succeed in putting an end to the cultivation of the poppy before the time specified.

Articles 2 and 3 are concerned with measures for reducing the consumption of opium by issuing licences to smokers, without which no one will be permitted to buy opium, and by instituting punishments for those who persist in smoking after a certain specified time. After stating that between 30 and 40 per cent. of the population—say, 100,000,000 of the people—are addicted to the opium habit, the Articles make a distinction between officials and persons of high rank, who will be dealt with very severely; for sake of example the lower classes, who receive less strict treatment, and persons of all classes over sixty, in whose case the question of giving up the habit is not to be pressed.

The licences issued to consumers will prescribe in each case a limit of time within which the habit must be given up, and will also fix the amount of consumption, which must be diminished by 20 or 30 per cent. annually. The registration and rigorous inspection of these licences must be enforced, and no fresh licences will be granted after the first registration. The names of smokers of the lower classes who are not cured of the habit at the end of the specified time will be posted in a public place, while official offenders will be deprived of their office, and graduates of their diploma.

Articles 4 and 5 relate to opium shops, and a distinction is drawn between opium dens, which are to be compulsorily closed within six months, and ordinary shops, which are to be registered, kept under observation, and gradually done away with during the time limit fixed for the abolition of the drug. No shop will be permitted to sell opium to any person who does not produce his licence; no restaurant or eating-house may

provide opium for its guests, or allow them to bring opium appliances with them. A return of annual sales is to be made, and any shop attempting to continue in the trade after the expiry of the time limit will have its goods confiscated, and be liable to a fine of twice their value.

Articles 6 and 7 discuss the preparation of remedies for the cure of the opium craving; their sale at a fixed price, or free distribution; the establishment of anti-opium societies, and the formation of an enlightened public opinion on the subject.

Article 8 charges the local authorities with the duty of leading the movement, giving effect to all provisions regarding reports, inspections, and licences; inculcates the necessity of personal attention to these matters, and severely forbids any exactions on the part of underlings.

Article 9 forbids the smoking of opium by officials of high rank; a number of such persons are enumerated, who must solicit the permission of the Throne to be allowed to give up the habit within a fixed time, or, in default, to lose their post, if an official, or to have their rank pass on to the next in succession, if a hereditary noble.

For all other officials the time limit is six months. Teachers, scholars, officers and men of the army and navy, if opium smokers, are to be dismissed within three months.

Article 10 deals with the negotiations which are to be entered into with Great Britain and the Governments of other opium-importing countries, with the view of insuring that the import of foreign opium shall decrease *pari passu* with the decrease of the native drug, and shall cease entirely at the end of the specified ten years.

Measures are also to be taken for enforcing the XIth Article of the British Commercial Treaty, and preventing the importation of morphia, or instruments for its injection, except for medical use.

The 11th Article provides for the issue of Proclamations promulgating the Regulations for general observance.

So far as the rules are concerned, they seem to leave nothing to be desired in regard to their completeness of scope and thoroughness of aim, and the main point which arises for consideration is whether they are capable of being enforced in practice. On this there will naturally be much divergence of view, but I am bound to state that, so far as my opportunities of judging extend, there is a balance of well-considered opinion in favour of an affirmative answer. The magnitude of the task is admittedly enormous, but it is pointed out that the movement will have the support of public sentiment, and that the authors of the Regulations, whose sincerity is beyond all doubt, are determined to see them carried into effect. Already I am told by missionaries and others who come into daily contact with the people, that a tendency is observable amongst opium smokers to break off the habit, and that remedies are in great demand at the foreign hospitals. This may, of course, be merely a temporary response to the Imperial Edict, but a great awakening is going on in this country, and much of what is happening now makes one cautious in indulging in any prophesy as to what may be effected in the future.

It remains to note one important omission in the opium arrangements, so far as they are known at present. No provision has been made for procuring from other sources the large revenue which the State now derives from opium, and although a China without opium would doubtless in time be stronger financially than China now is, still the interval which must elapse before the reformation is accomplished is one which will impose a severe strain upon the public exchequer, and which will call for the elaboration of financial measures beforehand.

I have, &c.
(Signed) J. N. JORDAN.

Inclosure in No. 5.

Proposals, in Eleven Articles, for Carrying out the Prohibition of Opium now reverently submitted to the Throne.

(Translation.)

ARTICLE 1. To restrict the cultivation of the poppy in order to remove the root of the evil.

The effects of poppy cultivation on the agricultural interests of the country have been disastrous. Throughout China the chief sources of opium production are the Provinces of Szechuan, Shensi and Kansu, Yunnan and Kueichou, Shansi, Kiangsu, and Anhui, but in the remaining provinces it may be said generally that there is hardly

a place from which it is absent. The term of ten years has now been fixed for the complete prohibition of its use. It is therefore necessary first to limit its cultivation, in order that the complete prohibition of its consumption may be successfully carried out; and with this end in view, all Governors-General and Governors of Provinces should direct the Departmental and District Magistrates to make an accurate investigation of the acreage in their respective jurisdictions hitherto devoted to the growth of the poppy, and to make an official return of the figures. It would then be for ever forbidden to bring under poppy-cultivation any land not hitherto used for that purpose. Certificates would be issued in respect of all land already used for growing the poppy, and the proprietor be compelled to reduce the growth each year by one-ninth part, and to substitute other crops suited to the particular soil.

It will, moreover, be incumbent on the Magistrates to make personal inspection at unexpected times of such lands. The certificates, too, will have to be changed each year, till within the period of nine years the whole cultivation is rooted out. Non-compliance with this rule will entail confiscation by the State of the land in question.

Any local authority who succeeds in less time than the statutory ten years in giving effect to the prohibition in respect to the land in his jurisdiction given up to the poppy, and in completely substituting in place thereof the cultivation of other crops, should, after due inquiry into the facts, be recommended to the Throne for recognition.

Article 2. To issue licences to smokers in order to prevent others from contracting the habit.

The vice of opium smoking is of long standing, and it may be reckoned that some 30 to 40 per cent. of the population are addicted thereto. The interdict must therefore be extended with some consideration for what is past, while being applied in all strictness for the future. All persons of the official class and the gentry, literary graduates and licentiates resident at their homes throughout the Empire must be the first to be compelled to give up the habit, in order that they may serve as an example to the common people. All smokers, whether of the gentle or lower class, together with their wives and female servants, must without exception report themselves at the Yamen of the local authority of their native place or place of residence. If they reside at a distance from such Yamen or any police station, they may send their names in collectively through the Headman of the village.

Proclamations will be issued in advance by the local authorities giving the necessary directions, and forms will be supplied which smokers will have to fill in, giving their names in full, age, address, occupation, and daily allowance of opium; and a limit of time will be fixed for them within which they must report themselves as having given up smoking, due consideration being paid in this regard to the element of distance.

As soon as all the smokers have reported themselves, a register will be drawn up and a copy thereof be sent to the higher authorities for purposes of record and reference. At the same time, printed licences under the official seal will be prepared, and every smoker will be obliged to have his licence. These licences will be of two classes—(A) and (B). Persons over sixty years of age will get licences under class (A), while those under sixty will be enrolled under class (B), provided always that no person who has held a licence under class (B) shall be entitled to the issue of a licence under class (A) on subsequently attaining the age of sixty.

The licence will contain the holder's name in full, age, address, daily allowance of opium, and date of issue, and will constitute the permit to consume and buy opium. Any person consuming opium without a licence, or purchasing the drug, shall on discovery or information duly laid be subject to such penalty as may be called for. After the first inquisition, inspection will proceed on the basis of the register, and no fresh applications for licences will be entertained, in order that the number of smokers may be strictly limited.

Article 3. To reduce the craving for opium within a limited time, in order to remedy chronic addiction thereto.

After the licences have been issued, and putting out of consideration persons over sixty whose constitutions are already undermined, and in whose case the question of giving up the habit need not be pressed, all persons under sixty holding licences under class (B) shall have a limit set on the quantity of opium which they consume, to be reduced each year by 20 to 30 per cent., and to be totally given up within a few years. On becoming total abstainers, they will have to produce a bond signed by a relative or near neighbour, which will be presented to the local authority, and if found in order, the

name of the party will be erased from the register, while the licence will have to be surrendered for cancellation. Returns of all such proceedings will then be made quarterly to the higher authorities. But if in spite of the liberal period of years allowed under this system there should be individuals who fail to become total abstainers within the allotted time, they must be regarded as wilful victims to self-abuse, and nothing remains but to expose them to punishment for not abstaining. In the future, therefore, if any holder of a class (B) licence exceeds the time limit without giving up the habit and surrendering his licence for cancellation, he shall, if an official, resign his office; if a graduate or licentiate, he shall be deprived of his rank and diploma; and if he be of the ordinary people, his name will be recorded by the local authority as an opium sot. A special list of such names will be kept, and a return thereof be made to the higher authorities. Besides this, such names, with the person's age, will be affixed in a public place for general observation, and also be exhibited in the town or village where such person lives, that all may know his condition. Such persons will, further, not be allowed to take part in any annual or periodical meetings which may be convened for any purpose by the local Notables, or in any respectable concern of life, so that it may be clearly shown that they are outcasts of society.

Article 4. To prohibit opium houses, in order to purify the abodes of pollution.

Before the time limit is reached upon which the prohibition becomes absolute it would naturally be hard to suddenly prohibit the existence of shops for the sale of opium. But there is a class of opium dens which offer a continual temptation to youths and the unemployed to frequent. These places are in every respect noxious, and should be prohibited by the local authorities, one after the other; a term of six months being fixed for the complete cessation of this calling and the substitution of another trade. If the time limit is exceeded they should be compulsorily closed.

Eating-houses and restaurants must also not be allowed to furnish opium for the use of guests, nor must guests be permitted to bring smoking appliances with them, under penalty of a heavy fine. Shops for the sale of pipe-stems or bowls, opium-lamps, or other smoking appliances, must also be given one year's time by the local authorities within which to close business, under penalty of a heavy fine. In any place where an excise is levied per lamp in opium-dens, such levy must be discontinued within one month.

Article 5. To closely inspect opium-shops in order to facilitate preventive measures.

Although it is not possible to forbid at once the existence of opium shops, steps must still be taken to compel their gradual disappearance, and under no circumstances can any new shops be allowed to open. All shops in any city, town, or village which sell the raw drug or prepared opium must be severally inspected by the local authorities, who will draw up a list of them in the form of a register, and issue to each a licence which will constitute their permit to carry on this trade. Once the inspection has been made, no additions to the number of shops will be allowed.

Whenever persons come to such shops to buy opium, raw or prepared, the shop-keeper must examine the customer's licence before he serves him, and without so doing must not sell any of the drug.

At the end of the year these shops must make a *bona fide* statement in writing to the local authority of the amount of opium, raw and prepared, which they have sold. The local authority will register these returns, and reckon up the total amount sold in his district by all the shops together, so as to show the amount of decrease in each year and for the purposes of comparison, provided always that within the period of ten years the sale shall be entirely stopped. If the time limit be infringed, the shops will be compulsorily closed and the stock in hand be confiscated, besides the imposition of a fine of at least double its value.

Shops which from time to time drop out of the business must surrender their licences for cancellation. The licence must not be kept, under penalty of a heavy fine.

Article 6. To manufacture remedies for the cure of the opium habit under official control.

There are many good remedies for curing the opium habit, and the high provincial authorities should appoint efficient and experienced medical officers to make a careful study of these, with a view to the selection of a number of prescriptions (suitable to the natural conditions of each particular locality) and the manufacture therefrom of pills

or medicines, provided that such pills or medicines shall not contain opium-ash or morphia.

Such remedial medicines should then be bought by the local authorities, who will distribute them among the local charitable institutions or medicine-shops for sale at the original price, while poor persons will be allowed to obtain them free of charge.

The gentry and tradesmen will also be allowed to manufacture such remedies according to prescription for free distribution with a view to spreading this benefit more widely; and any person who can be shown to have promoted such distribution by his personal exertions or exhortation, and to have succeeded in breaking others of the opium habit thereby, shall be awarded honorary recognition by the local authorities.

Article 7. To allow the establishment of anti-opium Societies in order to promote this good movement.

There have recently been several instances of public-spirited individuals who have combined with others of their own class in founding anti-opium Societies, and in mutually assisting in exhorting the abandonment of the habit. Such enterprises deserve the highest praise; and the high provincial authorities should direct the local officials to take the lead among the respectable men of standing in each place and develop the establishment of such Societies, so that with each addition to the number there will be an additional centre of activity. But such Societies must only be allowed to concern themselves with the single question of giving up opium, and must not discuss current politics or questions of local government, or other subjects not related to the abandonment of the opium habit.

Article 8. To charge the local authorities with the duty of leading the movement among the local gentry and heads of guilds, in order that it may prove really operative.

The present measure depends entirely on the local authorities taking the lead among the gentry and heads of guilds in giving proper effect to its provisions. Success can only be attained by a loyal and conscientious effort in this direction. The high provincial authorities must therefore carefully examine each year into the reports of their inferiors, and study the returns of the number of consumers originally recorded and the number of abstainers, besides seeing whether due activity has been shown in the supply of anti-opium medicines, and in promoting the formation of anti-opium Societies. By comparing these various records, they will be in a position to apportion praise and blame as due. They should also draw up an annual Report for transmission to the Council for State Affairs, and to serve as a basis for examining the operation of this measure.

As regards the city of Peking, the officers in charge of all police stations, the Captain-General of the Peking Gendarmerie, and the Governor of Peking (Shuntien-fu) will be responsible for the due execution of these provisions.

If, before the expiry of the term of ten years, it can be shown that there are already no opium smokers in any particular jurisdiction, the local authority shall be recommended for promotion.

In carrying out the survey of opium-bearing land, the inspection of opium dens and opium shops, and the issue of certificates and licences, as well as in the registration of smokers, the strictest injunctions must be imposed on the official assistants, clerks, and servants, that no exactions whatever will be permitted, under penalty for infraction of this rule, and upon information duly laid of the punishments prescribed for extortion.

Article 9. To strictly forbid the smoking of opium by officials, in order that an example may be set for others to follow.

The complete prohibition in ten years of the use of opium applies to the general population. But the officials must set an example to the people. If they have such a vice, how can it be expected that they shall lead the people straight?

Now, it is desired to make this measure effective, and, with this end in view, it is absolutely necessary to start with the officials, and make the time limit for them more severe and the penalties for non-compliance more heavy, so that, as grass bends to the wind, the people may comply with their example.

From henceforth, all metropolitan or provincial civil or military officials of high or low grade who are over 60 years of age, and who are so strongly addicted to the opium habit that they cannot break it off, will be put out of consideration, as if they were of the common people, and treated leniently.

All Princes, Dukes, and other hereditary Nobles, Presidents and Ministers of Boards and Metropolitan Yamêns, Tartar Generals, Governors-General and Governors, Military Lieutenant-Governors, Deputy Lieutenant-Governors, Provincial Commanders-in-chief and Brigade Generals holding substantive appointments are the recipients of the Imperial favour to no small degree, and of exalted rank and standing. No deception or pretence on their part must be permitted in this matter. Any of these who have been in the habit of smoking shall be permitted to memorialize the Throne direct, praying for a limit of time to be fixed for them within which to give it up. During such period they will for the time being not be removed from office, but a substitute will be appointed to act for them. When they can show that they have given up the habit they will be allowed to resume office, but it must be clearly understood that no excuse of illness will be entertained as necessitating the further use of the drug beyond the appointed time. All other metropolitan and provincial officials, civil or military, substantive or expectant, of high or low grade, who are addicted to opium, shall be placed under the supervision of a delegate appointed by their superiors, and be directed to present a true statement of the facts of their case; and, without consideration as to whether their craving for opium is heavy or slight, they will be given six months within which to give up the habit altogether. At the expiry of this period they must apply for an officer to be appointed to examine them again, and enter into a bond, which will be filed. If they become seriously ill and fail to break off the habit within the stipulated time, they may represent the facts to their superiors, in which case any hereditary title they may possess will be transferred according to the proper rules of succession to another to hold, and, if they are officials, they will be retired with whatever rank they may be holding. If it be discovered that they are holding back the facts and infringing this rule by means of deception, they must be impeached and degraded, as a warning against any such trifling and deceit.

If the superior authorities are lax in examining, they shall be reported to the Throne for the determination of a penalty.

Further, all teachers and scholars in any schools or colleges, and officers and warrant officers of the army or navy, who are addicted to opium shall be dismissed within three months.

Article 10. To enter into negotiations for the prohibition of the import of foreign opium in order to close the sources of supply.

The prohibition of the growth of opium and of its consumption is a measure of internal policy which we are justified in taking without further circumspection. But the question of foreign opium, which is imported from other countries, impinges on our foreign relations, and the Imperial commands should therefore be sought to direct the Board of Foreign Affairs to make a satisfactory arrangement with the British Minister with a view to effecting an annual decrease within the next few years of the import of foreign opium *parri passu* with the decrease of native opium, so that both may be absolutely prohibited by the expiry of the time limit of ten years.

Besides Indian opium, the drug is also imported from Persia, Annam, and the Dutch Indies in no small quantities. In the case of Treaty Powers negotiations should similarly be entered into with their Representatives in Peking to effect the prohibition of such import; while with non-Treaty Powers we can exercise our own prerogative in strictly forbidding the import.

All Tartar Generals, Military Lieutenant-Governors, Governors-General, and Governors should also direct their subordinate authorities and Commissioners of Customs to take preventive measures along the trade routes and frontiers to stop smuggling.

As regards morphia and the instruments used for its injection into the skin, the effects of which are even more injurious than those of opium itself, proper effect should be given to the stipulations laid down in Article XI of the British Commercial Treaty, and Article XVI of the American Commercial Treaty, and instructions be issued to all custom-houses to disallow the import of any morphia and instruments into China which are not for medical use; while a strict prohibition must be enforced against any shops in China, whether native or foreign, manufacturing morphia or instruments for its injection.

Article 11. All Tartar Generals, Governors-General, and Governors of Provinces should direct the civil and military authorities in their jurisdiction to issue Proclamations promulgating these Rules for general observance.

The Foreign Office issued yesterday a Parliamentary paper [Cd.3881] entitled China No. 1, and containing Correspondence respecting the opium question in China. The correspondence begins with a despatch dated September 20, 1906, from Sir J. Jordan, British Minister in Peking, informing Sir Edward Grey of the issue of the Decree prohibiting the cultivation and consumption of opium, and gives the negotiations which ensued between the Foreign Office and the Chinese Government, and in which the India Office took part, concerning the gradual restriction of the export of Indian opium to China, and those between the British and American Governments on the proposal of the latter that a joint commission should be held to investigate the question of the opium trade in the Far East.

The series opens with a telegram, dated September 20, 1906, from Sir J. Jordan, the British Minister in Peking, informing Sir Edward Grey of the publication of the Decree prohibiting the cultivation and consumption of opium. In despatch, dated ten days later, in which he forwards a translation of the text of the Decree, Sir J. Jordan says :—

The promulgation of this drastic announcement is due, I understand, largely to the initiative of his Excellency Tong Shoa-yi, who seems to have been much impressed by the views he heard expressed on the subject during his recent visit to India. From conversations which he had with Mr. Baker, the Financial Secretary, and other Members of the Government of India, his Excellency came to the conclusion that India was prepared to dispense with the opium revenue, and on his return to China he informed his own Government that it was the Chinese craving for the drug, and not England's desire to force it upon China, which was now responsible for the continuance of the traffic. This view of the question received confirmation from Mr. Morley's recent speech in the House of Commons, which the Chinese construed as an invitation to them to prove the sincerity of their desire for the cessation of the Indian import of opium.

And on November 26, 1906, he sent the translation of the regulations which had been framed for the enforcement of the Decree, and the text of which had already been given in a telegram from our Peking Correspondent published in *The Times* three days before. The negotiations which ensued for securing British co-operation, and which were closely followed in the Peking correspondence of *The Times*, were so far successful that on February 11 the India Office was able to inform the Foreign Office :—

That the Government of India will be instructed to enforce immediately the restrictive measures which have been agreed to on behalf of India, without insisting on the prior fulfilment of the conditions that similar restrictions would be simultaneously enforced in respect of the import of non-Indian opium.

The correspondence relating to the American proposal for a Joint Commission by the United States, Great Britain, France, the Netherlands, Germany, China, and Japan to investigate the question of the opium trade in the Far East opens with a despatch dated October 17, 1906, from Sir Edward Grey to Sir Mortimer Durand, stating that this suggestion had been made to him by the American Ambassador in London. On November 22, 1906, Sir Edward Grey informed Mr. Whitelaw Reid that his Majesty's Government was willing to take part in such an inquiry if the other Powers named were willing to participate. After some further correspondence the American Ambassador was able, in a despatch to Sir Edward Grey, dated October 30, 1907, to transmit the replies of the other Governments, all of whom accepted the proposal in principle.

On November 27, 1907, Sir J. Jordan forwarded to Sir Edward Grey a report on the results obtained during the first year in which the Decree had been in operation. We publish the following extracts :—

Though it is too early to expect any very definite result, the amount of success (and it is appreciable) which has hitherto been obtained produces the impression that the task which the Government has undertaken can be fulfilled, and shows conclusively that the Chinese people in general consider opium smoking a vice, from which they would willingly free themselves, inspired by what a missionary has aptly described as an ill-defined moral and patriotic motive.

The steps to be taken towards a general suppression of opium smoking practically only commenced in August last, and as the poppy is in most places a winter crop, and is usually sown in the late autumn, no reduction in the area under cultivation could be made last year in obedience to the Decree, while, as the seed is only now being sown, it is too early to judge how far the Regulations are being carried out in this respect.

The prospective loss of revenue is a matter which would not seem to have caused much anxiety to the Central Government, and, as far as can be ascertained, no concrete proposals have yet been made to replace the eventual loss to the Exchequer. In the provinces, however, the progress of the movement has been greatly hampered by the revenue difficulty and the prospect of dislocated finances.

The report includes a survey of the results obtained in the different provinces, which vary greatly with regard to the severity and success with which the regulations are enforced.

The Times 28 FEB 1908

Wang Tahsieh to Sir Edward Grey.—(Received January 26.)

Your Excellency,

Chinese Legation, January 25, 1907.

I HAVE the honour to inform your Excellency that I have received from the Wai-wu Pu certain proposals for the gradual abolition of the opium trade in China. I have accordingly the honour to inclose a translation of these proposals for the favourable consideration of your Excellency.

I have, &c.

(Signed) WANG TAH SIEH.

Inclosure in No. 6.

Proposals to the British Government with respect to the Indian Opium Traffic.

(Translation.)

THE trade in Chinese native opium is, by order of the Chinese Government, to be discontinued within ten years. But if this reform is to have any effect the importation of Indian opium must also be prohibited within the same period, so that both may come to an end together. Assuming this to be so, the amount of imported Indian opium ought to be reduced year by year, and, taking the average of the five years 1901 to 1905 as the basis of reduction, we request the consent of the British Government to reduce the total amount of imported Indian opium by one-tenth every year, starting from 1907.

2. The principal centre of the export trade in Indian opium is Calcutta. They accordingly propose to send a Chinese official to Calcutta to take note of the quantities of opium sold at auction, packed into balls, and exported to China, and they request the British Government to consent to this course of action.

3. The duty on native opium, which formerly ranged from 60 to 90 taels, has now been raised to 115 taels. On Indian opium, which is twice as strong as the native article, the duty is 110 taels, a much lighter duty in comparison to that levied on the native opium. What the Chinese Government fears, therefore, is that this cheapness of Indian opium will, combined with its extra strength, aggravate the vice of opium smoking, and so defeat the policy of prohibition. The Chinese Government accordingly request the British Government to consent to doubling the import duty upon Indian opium by raising it to 220 taels a-picul. In doing this, the Chinese Government is not actuated by any desire of increasing its revenue, but simply by the hope of bringing about a diminution in the number of opium smokers.

4. A large quantity of prepared opium is already produced in Hong Kong and finds its way into the interior of China. The amount of this prepared opium is sure to be greatly increased by the suppression of the native opium trade and by the prohibition against the importation of Indian opium. To meet this danger the Chinese Government make two proposals, for which they request the support of the British Government. One is that the Governor of Hong Kong should be requested to render every assistance towards strictly preventing both the raw and the prepared opium entering Chinese territory. The other is to levy a high duty on any such prepared opium entering China.

5. In the present state of affairs the hotels, the restaurants, the tea shops, the brothels, and other public resorts in the foreign Settlements are supplied with opium. The Chinese Government desires that the supply of the drug to these places shall be prohibited, as well as the "opium dens" closed. It also desires that the sale of pipes, lamps, and other implements used for or in connection with the smoking of opium in any shops shall be stopped. They request the British Government to inquire into these matters and to instruct the proper authorities to assist the Chinese officers in enforcing the new Regulations for dealing with the opium traffic.

6. The practice of subcutaneous injection of morphia by a syringe or injection needles constitutes a grave public danger, and as such it was made the subject of prohibition under Clause XI of the Mackay Treaty, but the prohibition was not to be enforced until the other Treaty Powers assented to such enforcement. The Wai-wu Pu has communicated on this subject with the other Powers whose Commercial Treaties with China have not yet been settled, and has requested them to agree to this point, and to prohibit the exportation to China of morphia and of the syringes or

injection needles. Most of the countries so applied to have given their consent. Those which have not yet replied have been urged to do so at once. Under the circumstances, and having regard to the fact that the object in view is a laudable one, the Chinese Government trust that the British Government will see their way to enforcing the Mackay Treaty on this point without delay.

No. 7.

Sir J. Jordan to Sir Edward Grey.—(Received January 28, 1907.)

Sir,

Peking, December 11, 1906.

WITH reference to my despatch of the 26th ultimo, I have the honour to forward to you herewith a copy of a Circular despatch which I addressed to His Majesty's Consular officers in China on the 1st instant on the subject of the recent Regulations issued by the Chinese Government dealing with the opium abolition question.

I have, &c.
(Signed) J. N. JORDAN.

Inclosure in No. 7.

Circular addressed by Sir J. Jordan to His Majesty's Consuls in China.

Sir,

Peking, December 1, 1906.

I FORWARD to you herewith a translation of a set of Regulations which have been issued by the Chinese Government dealing with the question of the eradication of the use of opium by the nation.*

I have forwarded a copy of these Regulations to His Majesty's Government, who have been approached by the Chinese Government with a request for their co-operation in the stamping out of this vice and its attendant evils.

I have to request you to give your careful attention to the Articles of the Regulations herewith inclosed, and to furnish me with reports from time to time on the steps which may be taken by the provincial officials to carry them into effect. You should also report on the attitude of the officials and of the people generally towards them, and any details which you consider may prove of value or interest.

I would point out that the matter, involving as it does so important a question of policy, no trouble should be spared to furnish me with all the information procurable on the methods adopted to carry out these Regulations, so that I may be in a position to advise His Majesty's Government fully on the subject.

It appears to me that in the provinces chiefly devoted to the growth of the poppy, and in those where the means of access for Consular officers with the interior are difficult, much useful information as to the extent of land still under poppy cultivation from time to time, the reception of the Regulations by the people, &c., might be obtained from missionaries or others residing in the remoter districts, and I would suggest that these means of obtaining information should be adopted wherever practicable.

I am, &c.
(Signed) J. N. JORDAN.

No. 8.

Memorandum communicated by the American Embassy.

GREAT BRITAIN advised the United States, in Sir Edward Grey's letter of the 22nd November, 1906, that His Majesty's Government was willing to take part in a Joint Commission or joint investigation of the opium trade and the opium habit in the Far East by the United States, Great Britain, France, the Netherlands, Germany, China, and Japan, if the other Powers agreed, and if, as regards China, the inquiry

* See Inclosure in No. 5.

extended to the production of opium in China as well as to the import of foreign opium.

Since then the United States has received a similar favourable response from the Government of Japan; the co-operation of China seems also assured by the Imperial Rescript of the 21st November, 1906.

The United States is now inquiring from France, Germany, and the Netherlands whether they would be willing to join in a Conference on the opium question, or whether, if deemed more convenient and practical, they would be prepared to name Commissioners, who would concert with like Commissioners of the other Powers named, to investigate the subject. In the latter case either a joint recommendation of the Powers would be expected, or, in case of divergence of opinions, a statement to each Government for its consideration, with a view ultimately to united action or to coincident action by each Government in its own sphere.

The United States would be glad to learn which of the two courses above suggested would seem to His Majesty's Government the more convenient and acceptable.

February 11, 1907.

No. 9.

Sir Edward Grey to Mr. Carter.

Sir,

Foreign Office, March 14, 1907.

I HAVE the honour to inform you that His Majesty's Government have considered the Memorandum communicated to me on the 11th ultimo, inquiring whether His Majesty's Government would prefer to join in an International Conference on the question of the production of opium in China, as well as of the import of foreign opium into that country, or to name Commissioners who would investigate the subject in concert with the Commissioners of certain other Powers.

I have the honour to say, in reply, that, in the opinion of His Majesty's Government, procedure by way of Commission would seem better adapted than a Conference for an investigation of the facts of the opium trade, and of the consequences of the opium habit, in the Far East. It is understood from the conversation which I had the honour of holding with Mr. Whitelaw Reid on the 17th October, 1906, that it was the wish of the Government of the United States that the facts should be carefully investigated in the Far East by a Commission, preliminary to any action which might be taken by the Powers jointly or severally. It is conceivable that a Conference, if convened, might find that the materials placed before it were insufficient for arriving at definite recommendations.

If, however, the other Powers consulted prefer procedure by way of a Conference, His Majesty's Government have no desire to press this view.

I have, &c.
(Signed) E. GREY.

No. 10.

Sir J. Jordan to Sir Edward Grey.—(Received March 23.)

Sir,

Peking, February 6, 1907.

I HAVE the honour to transmit to you herewith copy of a despatch which I have received from Mr. Tours, Acting British Consul at Chinkiang, inquiring what attitude he should assume towards opium shops existing within the British Concession.

I also have the honour to inclose copy of a despatch which I have addressed to Mr. Tours in reply. In the British Concessions at Tien-tsin and Canton there are no opium dens, and I am making inquiries as to how far they exist at other ports. It would, in my opinion, be desirable that the Municipal Councils of all British Concessions should be moved to close any opium shops or dens that may exist in them, even before His Majesty's Consuls are approached on the subject by the Chinese authorities; but, pending the receipt of instructions from you on the whole question of the assistance to be given to the Chinese Government in their endeavours to suppress the opium habit, I have thought it better in my despatch to Mr. Tours to confine myself to

instructing him, in the event only of his being approached by the local authorities, to give them the assurance that he is ready to take measures for the closing of opium shops in the Concession similar to those that may be put into practice by them outside. For the rest, he need not initiate any action until the receipt of further instructions.

I have, &c.
(Signed) J. N. JORDAN.

Inclosure 1 in No. 10.

Acting Consul Tours to Sir J. Jordan.

Sir,

Chinkiang, January 24, 1907.

IN view of your Circular of the 1st December last, I have the honour to inquire what attitude this Consulate should assume towards opium shops existing within the British Concession.

I have permitted the Meeting of Landrenters to renew the opium-shop licences for the year 1907, but I informed the Meeting that permission was entirely conditional upon any attitude I may be called upon to take up as a result of the recent Regulations against opium.

I have, &c.
(Signed) B. G. TOURS.

Inclosure 2 in No. 10.

Sir J. Jordan to Acting Consul Tours.

Sir,

Peking, February 6, 1907.

I HAVE received your despatch of the 24th ultimo, inquiring what attitude you should observe towards opium shops existing within the British Concession.

In reply, I have to inform you that, in a Memorandum handed to me by the Ministers of the Wai-wu Pu on the 29th November last, His Majesty's Government were requested, among other things, to take the lead in giving the necessary instructions that in all foreign Settlements and Concessions the measures for the inspection and prohibition of opium shops and dens shall be similar to those adopted by the Chinese authorities.

The Memorandum contained various other proposals, all of which I have communicated for the consideration of His Majesty's Government, from whom I am as yet without instructions. As soon as I am definitely informed by Sir Edward Grey of the attitude I should adopt in regard to the proposals of the Wai-wu Pu, I will issue circular instructions to His Majesty's Consuls, and in the meanwhile you need not initiate any action unless the question is brought to your attention by the Chinese authorities.

As the latter is a possible eventuality I would draw your attention to the inclosed letter,* dated the 12th January, from the Chairman of the Shanghai Municipality, written in reply to one from the Senior Consul, inclosing a Proclamation proposed to be issued by the Taotai and having for its object the closing of opium houses. This letter was published in the "North China Daily News" of the 17th January. In the concluding paragraph the Council express their readiness to support the local authorities to the full extent of their power as soon as there is evidence of *bonâ-fide* intention on the part of the Chinese Government to give practical effect to their present protestations.

This attitude, adopted by the Municipal Council of an international Settlement, appears to me fair and reasonable, and it is, in my opinion, desirable that every willingness should be shown in a British Concession to co-operate with the Chinese authorities in any genuine endeavour to suppress the opium habit. Should you, therefore, be approached by them in the matter, I see no objection to your giving them the assurance that you are ready to take measures for the closing of opium shops in the Concession similar to those that may be put into practice by them outside.

I am, &c.
(Signed) J. N. JORDAN.

* Not printed.

No. 11.

*Sir J. Jordan to Sir Edward Grey.—(Received April 6.)*Sir, *Peking, February 20, 1907.*

I HAVE the honour to inclose translation of the Imperial Decree, the effect of which is to remind the Provincial Governments that the Court attaches great importance to the conscientious fulfilment of the earlier Decree and Regulations for the prohibition of opium.

I also inclose, for your information, copies of the correspondence with his Excellency Tong Shoa-yi, Vice-President of the Wai-wu Pu.

I have, &c.
(Signed) J. N. JORDAN.

Inclosure 1 in No. 11.

Imperial Decree.

(Translation.)

A MEMORIAL has been received from the Board of the Interior devising general arrangements for the prohibition of opium; and whereas opium is injurious to the public health, we have already issued an Edict commanding every province to fix a limit of time for its strict prohibition. The Board having now recommended in their Memorial the extension of branch Anti-Opium Societies, and that the opium dens throughout the provinces should be uniformly closed and prohibited as laid down in the new Regulations, it is hereby commanded that all Tartar Generals, Viceroys, and Governors shall take part with their subordinates in conscientiously carrying out these steps. But strict as must be the prohibition against smoking, it is even more necessary to forbid the cultivation of the poppy, in order to sweep away the source of evil. The responsibility is, therefore, placed upon all Tartar Generals, Viceroys, and Governors to see to it that cultivation is diminished annually, as prescribed by the Regulations submitted to us, and that within the maximum term of ten years the supply of foreign and native opium is completely cut off. There must be no laxity or disregard for this beneficial measure, which the Throne so ardently desires.

February 7, 1907.

Inclosure 2 in No. 11.

*Sir J. Jordan to Tong Shoa-yi.*Dear Mr. Tong, *Peking, February 6, 1907.*

I HAVE received a query from His Majesty's Government with regard to which I should be glad to have definite information.

In the opium proposals which your Excellency and the other Ministers of the Wai-wu Pu asked me to transmit on the 30th November last, it was suggested that the Indian import should be diminished by one-tenth each year after 1907. I took this to mean that the settlement to which the proposals relate was to take effect from January 1908. Is this correct?

The Government of India have, I understand, notified the continuance of sales on the present scale up to that date, and any change before then would be very inconvenient.

I shall be much obliged if you will kindly let me have an early reply.

Yours sincerely,
(Signed) J. N. JORDAN.

Inclosure 3 in No. 11.

Tong Shoa-yi to Sir J. Jordan.

(Translation.)

Sir, *February 9, 1907.*

I HAVE the honour to acknowledge the receipt of your Excellency's letter inquiring, under instructions from His Majesty's Government, whether the proposal in

this Board's Memorandum on the opium traffic that after 1907 the Indian importation of opium into China should be diminished by one tenth per annum was intended to mean that this arrangement should start from the 1st January, 1908, and observing that the Indian Government had made its arrangements, as usual, with the dealers for the current year, and that any alteration would, of course, be inconvenient.

I have the honour to state, in reply, that the prohibition of opium in China was fixed by Imperial Decree to become completely effective in ten years, and that this time-limit should be reckoned from the present time to the end of the 42nd year of Kuang Hsu (22nd January, 1917).

His Majesty's Government being now prepared to call on India to diminish her importation of opium into China, and in view of the wording in this Board's Memorandum, which provides for steps being taken "after 1907," I have the honour to state that there is no objection to reckoning the date of commencement from the 1st January, 1908; but as this will be eleven months later than the date which China intended to fix, or, roughly speaking, a year later, it is to be apprehended that in the last year of this period opium will still be brought into China where the prohibition will have become already completely effective, and that, owing to the want of market, the importers may be put to loss. We would therefore request His Majesty's Government to direct that the amount of opium imported into China, counting from the 1st January, 1908, should be decreased by one-ninth part each year, so as to cease entirely within the 42nd year of Kuang Hsu (3rd February, 1916, to the 22nd January, 1917), and thus correspond with the steps taken by China. I have the honour to request your Excellency to lay this before His Majesty's Government for their consideration and consent.

I avail, &c.
(Signed) TONG SHOA-YI.

No. 12.

Sir Edward Grey to Sir J. Jordan.

(Telegraphic.)

Foreign Office, April 27, 1907.

YOUR despatch of the 6th February.

I agree with your proposal that, before the foreign Consuls are approached by the Chinese authorities, the Municipal Councils should be moved to close opium shops or dens, provided effective measures for closing the establishments outside the foreign Concessions have previously been taken.

No. 13.

India Office to Foreign Office.—(Received May 30.)

Sir,

India Office, May 29, 1907.

I AM directed by the Secretary of State for India in Council to address you with reference to the proposals made by the Chinese Government for restricting the importation and consumption of foreign opium. I am also to forward, for the information of Sir Edward Grey, a copy of a letter from the Government of India,* in which the effect of the scheme, if brought at once into full operation, on the revenues and agriculture of India is examined, and suggestions made for giving it a more limited and tentative shape, consistent with the principle that the reduction of the import of Indian opium shall take place *pari passu* with reduction in the production and consumption of Chinese opium.

2. The three proposals in the scheme which directly concern India are—

(1.) That taking the average import of opium into China for the five years 1901–1905 as a basis, the import in 1908 shall be restricted to nine-tenths of this quantity, and a like reduction of one-tenth shall be made in each subsequent year until the trade be extinguished by 1917.

(2.) That a Chinese official shall be stationed at Calcutta to watch the auction sales and exports of opium.

* Not printed.

(3.) That the Chinese Government should increase the present consolidated import and *li-kin* duty of 110 taels per picul of foreign opium to 220 taels.

3. It will be seen that the Government of India have no objection to (2) provided that it is clearly understood that the Chinese official will have no power of interference of any description. With regard to (1), the Government of India are willing, if it be thought necessary, to restrict the export of opium from India in 1908 to 48,000 chests of Bengal opium and 12,000 chests of Malwa opium. The quantity of opium exported of late to China and other countries is returned at 52,800 chests of Bengal opium and 19,000 chests of Malwa opium, or 71,800 chests in all. The proposed limitation of the export to 60,000 chests from 1908 is thought to be a very substantial reduction on this figure, and the view of the Government of India is that such a standard ought to satisfy the Chinese Government for the present, and until the effect of the measures taken in China to diminish the production of native opium can be accurately ascertained. With regard to (3), the Government of India express themselves opposed to an increase in the present rate of import and *li-kin* duty. It is urged that the proposal cannot be maintained on moral grounds, or as having the effect of a measure of prohibition, as inasmuch as it would merely result in a transfer of revenue from the Indian to the Chinese Treasury, and would not raise the price of Indian opium to the Chinese consumer. It is further urged that the evidence is opposed to the view that a higher rate of taxation on Chinese opium has up to date been effectively imposed throughout China.

4. The two important questions, so far as India is directly concerned are, therefore, the restriction to be placed on the quantity of opium imported into China, and the future rate at which the consolidated import and *li-kin* duty is to be levied at Chinese ports on foreign opium. I am now to state the conclusions at which the Secretary of State for India in Council has arrived on these points, after giving the subject his most careful consideration.

5. As regards restriction of import two separate points present themselves for consideration. First, the method of applying the restriction ; and secondly, the degree of rapidity with which it is to be enforced.

6. The intention of the Chinese Government would seem to be to limit by Imperial Law and by Treaty Regulations the aggregate quantity of foreign opium from all sources, without distinction of the country of origin, that is to be allowed by the Maritime Customs to enter China in each year. On the limit being reached, further import would presumably be prohibited for the rest of the year. Under this system the Chinese Government would not be directly concerned with the quantity of opium produced in India or placed on the Indian market for export, but would rely on restrictions to be enforced by the Customs in Chinese ports. The alternative method suggested by the Government of India's letter is that the Indian Government should undertake to restrict the quantity of opium exported from India. This method proceeds on the assumption that, as regards Indian opium, a restriction of the aggregate export of opium from India would in itself bring about the restriction of the import into China desired by the Chinese Government, and would not require to be supplemented by a Chinese Regulation limiting the import of Indian opium into China. At present the whole of the Malwa opium, and two-thirds of the Bengal opium exported from India go to China, either directly or by transfer from Singapore or other intermediate ports. It is believed, and apparently on reasonable grounds, that any reduction in the quantity of opium produced in, and exported from India, would reduce to that extent the quantity consigned to China. There are obvious advantages in regulating the supply of opium at its source ; and Mr. Secretary Morley considers that restriction in India, in the manner proposed, might be offered to the Chinese Government as a simple and effective means of meeting their wishes. The restriction of the imports of Persian, Turkish and other opium would, in that case require to be separately arranged, and should be carried out simultaneously.

7. With regard to the second point, the Secretary of State in Council does not anticipate that the Chinese Government would be satisfied if our co-operation were limited, as the Government of India have suggested, to restricting for some years to come, until there was adequate evidence that production and consumption of opium in China had been reduced proportionally, to 60,000 chests a-year the export of opium from India to China and elsewhere. The Chinese proposal on the other hand, which involves extinction of the import in nine years, would commit India irrevocably and in advance of experience to the complete suppression of an important trade, and goes beyond the underlying condition of the scheme, that restriction of import from abroad

and reduction of production in China shall be brought *pari passu* into play. In discussing the matter with the Chinese Government, His Majesty's Minister should, I am to suggest, point out this difficulty, and, while accepting the principle of a progressive reduction, should propose to limit it in the first instance to a term of three years. But he might be authorized to give an assurance, on behalf of his Majesty's Government, that the export of Indian opium would continue to be reduced in the same proportion beyond that period, if the Chinese Government had within the period observed their share of the mutual undertaking. Expressed in figures, the three years' agreement would be this. In the five years, 1901-1905, the sales of Bengal opium for export averaged about 48,000 chests a-year, of which about 32,000 chests were taken by China. In the same period the exports of Malwa opium averaged 19,000 chests a-year, the whole of which went to China. The gross export of Indian opium beyond seas in the five years thus averaged 67,000 chests a-year, of which China took 51,000 chests. His Majesty's Government would undertake to limit the quantity of opium (Bengal and Malwa) exported from India to countries beyond the seas to 61,900 chests in 1908, 56,800 chests in 1909, and 51,700 chests in 1910, the reduction being at the rate of 5,100 chests a-year, or one-tenth the average export of Indian Opium to China in the five years ending 1905.

8. With regard to the proposed doubling of the import and *li-kin* duty, I am to say that the Secretary of State in Council considers that the Government of India have shown that this measure would not have the prohibitive effect claimed for it by the Chinese Government as it would not alter the price of opium in China. It is desirable that some emphasis should be laid on this point when the Chinese scheme comes under discussion, since the Chinese Government have expressly declared that enhancement of the duty is not sought by them for revenue purposes. But it must be frankly recognized that the Chinese Government have a clear case for proposing to subject foreign opium to as heavy a scale of taxation as is levied on native opium, all relevant circumstances being duly considered in making the comparison. His Majesty's Minister should, it is suggested, be instructed to discuss the proposed enhancement of taxation with the Chinese Government from this point of view. The information before Mr. Secretary Morley is insufficient for definite conclusions to be drawn as to the comparative incidence of the existing taxes on foreign and native opium, but the facts are doubtless within the knowledge of or readily procurable by His Majesty's Minister. There is first the point raised by the Indian Government, whether the new taxation in China is levied on all native opium. Secondly, there is the point whether the new taxation, so far as it has been made effective, has doubled or largely increased the taxation hitherto levied on native opium. As stress is laid on this by the Chinese in proposing to double the import duty on foreign opium, its accurate determination is of importance. It would seem that hitherto numerous transit duties have been levied on native opium, the collective effect of which was not inconsiderable, and that these have now been swept away and a single uniform tax substituted. Thirdly, there is the point as to the relative values or the relative strengths of Indian and Chinese opium. As to relative strengths there is very little information on record. But, in view of the improvement said to have taken place of recent years in Chinese opium, the statement that Indian opium has double the strength of the native article seems to require verification. As to values, the intrinsic value of a chest of opium in India, as measured by the cost of production, is about 500 rupees. The price of Yunnan opium in Yunnan free of duty was reported in 1904 by Mr. Consul Litton to be from 460 to 600 rupees the picul, the picul being a little less than a chest. On this basis there would not seem to be a case for levying twice as high a duty on Indian opium as on native opium. If the comparison is made with the price of Indian opium in the Hong Kong market, a different inference might be drawn, but it should not be overlooked that this price is not the natural price of the article, but includes the Bengal monopoly tax, or the Malwa Pass duty, as the case may be.

9. Mr. Secretary Morley considers that these points require to be discussed with the Chinese Government before any conclusion can be come to as to the reasonableness of the proposal to double the present duty. The Chinese Government have undertaken not to discriminate against imported opium. Indian and Chinese opium, it is agreed, should pay proportionally equal taxation. It should be possible as the result of full discussion to settle approximately, though not with mathematical accuracy, what this taxation should be. The Chinese Government recently suggested to Sir Robert Hart that the Treaty Powers should be asked to agree to the present duty of 110 taels being

raised to 150 taels. If this was thought a reasonable proposal a year ago, it might be found on examination to be in greater accordance with facts than the present proposal for a duty of 220 taels. There is no question of the imposition of a prohibitive duty, as the Chinese Government seem to suppose. The desired decrease in the consumption of foreign opium is provided for by the proposal for the gradual decrease of its importation.

10. In conclusion I am to say that Mr. Secretary Morley in Council is anxious that a settlement satisfactory both to India and China should be arrived at as soon as possible, and trusts that the Chinese Government will recognize the sympathetic spirit in which their proposals have been met by His Majesty's Government, and the extent of the sacrifice which the diminution of the opium trade will occasion to India.

11. It is understood that the assent of the Treaty Powers will be necessary to an enhancement of the import duty, or to a limitation of the import of opium into China. If, however, the alternative method of restriction by means of fixing the maximum quantity of opium to be exported from India beyond seas is accepted by the Chinese Government as preferable to restriction in Chinese ports, it can be put into force without reference to the Powers, and the Secretary of State in Council would be prepared to take action in this direction to the extent indicated in the last sentence of paragraph 7.

I am, &c.
(Signed) A. GODLEY.

No. 14.

Sir Edward Grey to Sir J. Jordan.

Sir,

Foreign Office, June 14, 1907.

I TRANSMIT to you herewith a copy of a letter which has been received from the India Office with regard to the proposals of the Chinese Government for carrying out the Imperial Decree for the abolition of opium-smoking.*

You should communicate with the Chinese Government in the sense of this letter, which covers the first three proposals put forward by the Chinese Government, as reported by you in November last.

You will observe that the reply of the India Office on these three points is to the following effect :—

In regard to 1, His Majesty's Government make a counter-proposal. Instead of the amount of opium imported into China being restricted, they offer to limit the amount exported from India to countries beyond the seas to—

61,900	chests in 1908.
56,800	" " 1909.
51,700	" " 1910.

The average total annual export for 1901–5 was 67,000 chests, of which China took 51,000.

The progressive annual diminution for the three years would therefore be one-tenth of the amount annually taken by China on an average during that period.

You are also authorized to give an assurance that the progressive diminution would continue in the same proportion after the three years if the Chinese Government had within that period observed their share of the mutual undertaking, *i.e.*, that the production and consumption of opium in China had been proportionally diminished.

The restrictions of the import of Turkish, Persian, and other opium would have to be separately arranged and carried out simultaneously.

In regard to 2, there is no objection to the presence of the Chinese official at Calcutta, provided it is understood that he has no power of interference.

In regard to 3, you should state that you are prepared to discuss the proposal to double the present consolidated duty and *li-kin* from the point of view that foreign opium should be subject to as heavy taxation as native; but His Majesty's Government consider that before any conclusion can be arrived at as to the reasonableness of the

proposal to double the present impost on foreign opium, reliable information is necessary on three points:—

- (a.) Is the new taxation in China effectively levied on all native opium?
- (b.) Has it doubled or largely increased the taxation hitherto levied?
- (c.) What is the relative value of Indian and native opium?

With regard to point 4 of the Chinese proposals, which was to the effect that the Government of Hong Kong should strictly prohibit the boiling of opium for export to China, and that the Chinese Government should be free to impose a prohibitive duty upon such opium, you were requested in December last to consult with the Governor of Hong Kong direct, and I should be glad to learn the result of your communications with his Excellency on the subject.

With regard to point 5, you were informed in my telegram of the 27th April last that His Majesty's Government concur in the view expressed in your despatch of the 6th February last that if effective measures have previously been taken to close any opium shops and dens which may exist outside the limits of the various foreign Settlements and Concessions, the Municipal Councils of these localities should be moved to close such establishments as exist within the Settlement or Concession areas before being approached by the Chinese authorities.

With regard to point 6, while His Majesty's Government are anxious to co-operate with a view to securing the prohibition of the importation of morphia into China, the consent of all the Powers having Treaty relations with that country is necessary before the prohibition can be put into force.

You are aware that the French Government have intimated their willingness to co-operate, and you have been requested to report whether any further action has been taken by the Chinese Government to obtain the assent of the other Powers concerned.

I am, &c.
(Signed) E. GREY.

No. 15.

Sir J. Jordan to Sir Edward Grey.—(Received June 17.)

Sir,

Peking, April 30, 1907.

I HAVE the honour to forward to you herewith copy of a despatch which I have addressed to His Majesty's Acting Consul at Chinkiang, in accordance with the views expressed in your telegram of the 27th instant, instructing him, in the event of effective measures to close opium establishments outside the British Concession having been adopted by the local authorities, to move the Municipal Council to take similar action.

I have ascertained that Chinkiang is the only British Concession in China in which opium establishments exist.

I have, &c.
(Signed) J. N. JORDAN.

Inclosure in No. 15.

Sir J. Jordan to Consul Sundius.

Peking, April 30, 1907.

WITH reference to my despatch of the 6th February last, copy of which I forwarded to the Foreign Office with a copy of Mr. Tours' despatch of the 24th January, I have to inform you that I have now received a telegram from Sir Edward Grey concurring in a suggestion of mine that British Municipal Councils should be moved to close opium shops or dens before His Majesty's Consuls are approached by the Chinese authorities, provided that effective measures have been taken to close establishments outside the Concessions.

I have therefore to request you to ascertain what action has been taken in the matter by the local authorities outside the British Concession, and, in the event of

effective measures to close opium establishments having been adopted, to move the Municipal Council to take similar action.

I have, &c.
(Signed) J. N. JORDAN.

No. 16.

Sir J. Jordan to Sir Edward Grey.—(Received August 10.)

(Telegraphic.)

Peking, August 9, 1907.

I HAVE the honour to suggest the prohibition of the trade in prepared opium, both export and import, between Hong Kong and China, and that measures should be taken by both Governments to prevent smuggling into their respective territories.

The opium farmer's licence entitles him to prepare and sell within the Colony only, and he would therefore not be prejudiced by such a measure, nor would the legitimate trade of Hong Kong be appreciably affected, as, according to Customs returns, less than 13 piculs formed the total amount of prepared opium imported into China last year from foreign countries and Hong Kong, and of these Macao supplied 4 piculs.

No. 17.

Sir J. Jordan to Sir Edward Grey.—(Received August 12.)

Sir,

Peking, June 26, 1907.

I HAVE the honour to inclose in translation copy of a further Imperial Edict which was issued to-day, reiterating the prohibition against the cultivation and consumption of opium.

The fact that it has been found necessary to adopt the unusual course of repeating these instructions so often suggests the inference that the Government is not altogether satisfied with the response they have hitherto received.

I have, &c.
(Signed) J. N. JORDAN.

Inclosure in No. 17.

Imperial Edict, dated June 26, 1907.

(Translation.)

OPIUM is in the highest degree detrimental to the people. In an Edict of last year prohibiting the use of it, the Council of Government were commanded to frame Regulations and to direct all yamêns throughout the country to put a stop to it.

In the third month of this year (13th April–11th May) a further Edict was issued, commanding that general instructions be given to act in strict accordance with the Regulations which had been submitted to the Throne, alike in respect of the cultivation, sale, and consumption of opium.

The welfare of the people is a matter of great concern to the Court, and this is a matter which must positively be put through. The Governor of Peking and the Tartar Generals, Viceroy, and Governors of the provinces are commanded to issue strict instructions to their subordinates to put the prohibition into actual effect, to make it a matter of familiar knowledge in men's houses, to get completely rid of the evil. The Maritime Customs should keep a strict watch on the foreign opium which is imported, and the places in the interior which cultivate native opium must annually decrease the amount cultivated, in accordance with the dates sanctioned. It is further commanded that the relative merits of officials in this respect must be recognized. If the instructions are zealously carried out by an official in his own jurisdiction, it is permitted to memorialize the Throne, asking for some encouragement to be shown him. If an official merely keeps up appearances and, while outwardly obeying, secretly disregards these commands, he is to be denounced by name for punishment.

It is also commanded that an annual return of the land under opium cultivation be made, by way of verification and to meet the desire of the Court to relieve the people of this evil.

No. 18.

Sir Edward Grey to Sir J. Jordan.

(Telegraphic.)

Foreign Office, September 7, 1907.

THE following telegram has been dispatched to the Governor of Hong Kong:—

“Sir J. Jordan will consult you about the proposal for prohibiting the trade in prepared opium between Hong Kong and China, the proposal being that measures to prevent smuggling into its own territories shall be taken by each Government. Unless there is some strong objection of which I am not aware, you should agree to this.

“Please address a communication to the Chinese Government, if Lugard agrees when consulted on the subject.”

No. 19.

Sir J. Jordan to Sir Edward Grey.—(Received September 23.)

(Extract.)

Peking, August 7, 1907.

IN your telegram of the 27th April last you were pleased to approve the view which I had expressed in my despatch of the 6th February, to the effect that the Municipal Councils of British Concessions should be moved to close any opium shops or dens which might exist within them even before being approached on the subject by the Chinese authorities, provided effective steps had previously been taken to close such establishments outside the limits of the Concessions.

Instructions in this sense were, as reported in my despatch of the 30th April, sent to His Majesty's Consul at Chinkiang, which was found to be the only port where there were any opium shops in the British Concession.

Your despatch of the 14th June extended the above instructions to foreign Settlements, and on its receipt I thought it prudent to telegraph a summary of the views held by His Majesty's Government to His Majesty's Consul-General at Shanghai for communication to the Council. A Circular embodying your instructions, of which a copy is inclosed, was also issued for the guidance of His Majesty's Consuls.

Inclosure in No. 19.

Circular addressed to His Majesty's Consuls in China.

Sir,

Peking, July 31, 1907.

WITH reference to the Imperial Decree of the 20th September, 1906, enjoining the prohibition of the consumption and cultivation of opium in China within a period of ten years, and the Regulations subsequently framed for the enforcement of that Decree, and to recent negotiations that have taken place between the British, Indian, and Chinese Governments on the subject, I beg to inform you that His Majesty's Government are of opinion that, if effective measures have previously been taken to close any opium shops and dens which may exist outside the limits of the various foreign Settlements and Concessions, the Municipal Councils of these localities should be moved to close such establishments as exist within the Settlement or Concession areas before being approached by the Chinese authorities, and I have to request that you will bring the views of His Majesty's Government to the notice of the Municipal Council at your port.

I have, &c.
(Signed) J. N. JORDAN.

Sir J. Jordan to Sir Edward Grey.—(Received October 5.)

Sir,

Peking, August 14, 1907.

I HAVE the honour to acknowledge the receipt of your despatch of the 14th June last, and to transmit to you herewith copy of a note which I addressed to the Wai-wu Pu on the 12th instant, embodying the views of His Majesty's Government with regard to the proposals of the Chinese Government for giving effect to the Imperial Decree for the abolition of opium smoking.

At an interview which I had yesterday at the Wai-wu Pu, I explained to the Ministers that this communication merely contained a summary of the instructions with which you had furnished me, and that I should be prepared at any time to enter into a fuller consideration of the various points, and explain to them the reasons on which the conclusions of His Majesty's Government were based.

The Grand Secretary Na Tung thanked me for this offer, and intimated his intention of availing himself of it as soon as he had found time to study with sufficient care the contents of my note.

As the further consideration of the question with the Wai-wu Pu will require fuller information on certain points than is at present in my possession, I have issued a Circular to His Majesty's Consuls (copy inclosed) calling for reports on the subject.

In a country where no statistics are published, and where there is great irregularity of procedure in all Departments of the Administration, it is extremely difficult to give anything in the nature of accurate replies to the three questions propounded in your despatch in connection with the Chinese demand for an increase in the taxation of foreign opium.

The following information has been derived from Sir Alexander Hosie, the Acting Commercial Attaché:—

The answer to question (a), as to whether the new taxation is levied on all native opium, is in the negative, for the new tax is not a tax on production, but a transit tax.

(b.) The new tax of 115 Kuping taels may have doubled or largely increased the taxation of opium in transit in some parts of China, but in others it would seem to have resulted in decreased taxation. At Ichang, for example, in the first half of 1905 (*i.e.*, prior to the introduction of the uniform tax of 115 taels) native opium, if junk borne, paid 118·93 Haikuan taels per picul in taxes; while, if steamer borne, it paid 134·79 Haikuan taels if destined for the four inner provinces, and 104 Haikuan taels if for the four outer provinces, of the “Kao chüan Zollverein.”

(c.) The Government of India state that the cost of production of a chest of opium is about 500 rupees, or 330 dollars. From the Mengtzu Trade Report for 1906 it appears that native opium was bought on the farms near Yünnan-fu for 288 to 320 dollars per picul, the picul being little less than a chest, while at Mengtzu the price was 480 dollars. At Ichang, in 1905, the f.o.b. price of Szechuan opium is given as 340 Haikuan taels per picul, and if taxation of 134·79 Haikuan taels is deducted, the cost of production is 205·21 Haikuan taels, or 308 dollars. On the whole, therefore, it would appear that there is little difference between the cost of production in India and China.

As regards the strength of Indian and Chinese opium, I have been given to understand that the former yields from 10 to 15 per cent. more prepared opium, and that a smoker of 3 mace weight a day of Indian opium requires 4 mace of Chinese opium to produce the same effect.

The replies from the Consulates will, I hope, enable me to submit to you more detailed information on these various points.

I have, &c.
(Signed) J. N. JORDAN.

Inclosure 1 in No. 20.

Sir J. Jordan to Wai-wu Pu.

Your Highness,

Peking, August 12, 1907.

THE proposals of the Chinese Government for restricting the importation of opium, as embodied in the Memorandum which was handed to me on the 29th November, 1906, by the Ministers of the Wai-wu Pu, were transmitted by me to His Majesty's Government, and have been carefully considered by them in consultation with the Government of India.

I now have the honour to communicate to your Highness the views of His Majesty's Government on this subject:—

1. The Chinese Government proposed that the importation of foreign opium should cease within ten years, and with this end in view should be reduced by one-tenth per annum.

With regard to this His Majesty's Government make a counter proposal. Instead of the amount of opium imported into China being restricted, they are willing to limit the amount exported from India to countries beyond the seas. The average total annual export for the years 1901–5 having been 67,000 chests, of which China took 51,000; they propose, during the next three years, to diminish annually the total amount exported by one-tenth of the average amount taken annually by China: thus, in 1908 the amount exported would be limited to 61,900 chests, in 1909 to 56,800, and to 51,700 in 1910. If during these three years the Chinese Government have duly carried out their arrangements for diminishing the production and consumption of opium in China, His Majesty's Government undertake to continue in the same proportion this annual diminution of the export after the three years in question.

The restriction of the import of Turkish, Persian, and other opium would have to be separately arranged by the Chinese Government and carried out simultaneously.

2. The Chinese Government propose that they should appoint an officer to proceed to Calcutta for the purpose of watching the opium auctions and the packing, in order to ascertain the actual quantities of foreign opium delivered for export. To this His Majesty's Government have no objection, provided it is understood that such officer shall have no power of interference.

3. The Chinese Government represent that foreign opium, though stronger than the native drug, is more lightly taxed; and they propose as a restrictive measure, and not with a view to increasing their revenue, to impose upon it a prohibitive duty and *li-kin* charge of 220 taels per picul.

In regard to this, I have the honour to inform your Highness that I am authorized to discuss the proposal of doubling the present consolidated duty and *li-kin* from the point of view that foreign opium should be subject to as heavy taxation as native, but before His Majesty's Government are prepared to arrive at a conclusion on this question, they consider that trustworthy information is necessary on the three following points, namely:—

(a.) Is the new taxation of 115 taels per picul effectively levied on all native opium in China?

(b.) Has it doubled or largely increased the taxation hitherto levied?

(c.) What is the relative value of Indian and native opium?

In order to comprehend justly this question of the actual value of imported opium as a product, it will be of assistance to your Highness' Board to bear in mind that the price of Indian opium in the Hong Kong market is not the natural price of the article, but includes the Bengal monopoly tax, or the Malwa pass duty, which amounts to 433 taels per picul in case of the former, and 264 taels in that of the latter.

As regards the statement that the strength of imported opium is double that of the Chinese article, the Government of India is not satisfied that this is the case, since the methods of cultivation in China are said to have been much improved in recent years.

4. As regards the preparation of boiled opium in Hong Kong, and the proposals of the Chinese Government for preventing its import into China, my information is not yet complete, and I must therefore defer making a reply upon this point.

5. With regard to the measures to be taken in the foreign Settlements or Concessions for the prohibition of opium dens and the inspection of shops for the sale of opium and smoking appliances, the view of His Majesty's Government is that if effective steps

have been taken by the Chinese authorities beyond the limits of such Settlements or Concessions, the municipal authorities of these localities should also take effective steps on their own initiative without awaiting the request to do so from the Chinese authorities.

Instructions in this sense have been sent by me to His Majesty's Consuls in the ports where British Concessions exist, and also to His Majesty's Consul-General at Shanghai. But I should state, for the information of your Highness, that considerable doubts have been expressed by competent observers as to the efficiency of the measures taken in various ports by the Chinese authorities, and it is alleged that the closing of the smoking dens has merely converted them into retail opium shops, with the result that the consumption of opium is undiminished among the lower classes.

6. The question of prohibiting the general importation of morphia is one in which His Majesty's Government are fully prepared to co-operate as soon as the consent of all the Treaty Powers has been obtained.

I avail, &c.
(Signed) J. N. JORDAN.

Inclosure 2 in No. 20.

Circular addressed by Sir J. Jordan to His Majesty's Consuls in China.

Sir,

Peking, August 10, 1907.

AS reliable information regarding the price, strength, and taxation of native opium is desirable, I have to request that you will furnish me with answers to the following questions, so far as they concern your district :—

1. What is the price per picul of raw opium produced in your district before taxation of any kind has been paid ?

2. What is the average amount of boiled or prepared opium yielded by 1 picul of raw opium ? If possible, compare this amount with that yielded by Indian opium.

3. How much more of the native prepared opium does a smoker of Indian opium require to smoke to produce the same effect ? If a smoker consumes 3 mace of Indian opium a day, how much native opium would he consume to obtain equal results ?

4. Is the tax known as "t'ung-shui," or "t'ung-chüan," amounting to 115 Kuping taels per picul, levied on all raw opium produced in your district, whether consumed locally, transported from place to place in the district, or exported from the district ?

5. If the "t'ung-shui," or "t'ung-chüan," tax is not levied in your district, what other taxes are imposed, if consumed locally and if exported ?

6. If the "t'ung-shui," or "t'ung-chüan," tax is not levied in the province of production, is it levied when the drug passes into another province ?

7. Is raw native opium which has paid "t'ung-shui," or "t'ung-shüan," elsewhere liable to further taxation in or when passing through your district ?

8. Is there an excise or tax on prepared native opium ? If so, how much, and how is it levied ?

9. Has any attempt been made to establish an official monopoly or monopolies for the purchase and [or] preparation of opium, foreign and [or] native, within your district ? If so, please state what has been done.

I am, &c.
(Signed) J. N. JORDAN.

No. 21.

Mr. Whitelaw Reid to Sir Edward Grey.—(Received November 1.)

Sir,

American Embassy, London, October 30, 1907.

WITH reference to your note of the 14th March last in reply to the Memorandum which I handed to you on the 11th February relating to the question of the production of opium in China, I have the honour to inclose herewith copies of correspondence setting forth the replies of the various Governments to the proposal of the United States to appoint a Commission to investigate this question.

It may be remembered that the initial inquiry instituted by my Government having elicited favourable responses, further instructions were then issued to the several American Diplomatic Representatives expressing the desire on the part of the United States to be informed whether the Governments concerned preferred to investigate the opium question by means of a Conference or through a Joint Commission.

In their replies all the Governments mentioned accepted the proposal in principle, and expressed a preference for a Joint Commission. In one instance the reservation was made that the inquiry should cover the production of opium in China as well as its importation, while several accepted the proposal only on condition of being assured of the co-operation of China. Assurances of the co-operation of China have been given in their reply to my Government, while their general policy in the matter is evidenced by the fact that Regulations for the gradual suppression of the production and consumption of opium in China and orders for their enforcement have been promulgated by the Chinese Government.

In sending to you the present inclosures, I am instructed to convey the expression of the sincere gratification of my Government at the acceptance in principle by His Majesty's Government of the Joint Opium Commission, as well as their appreciation of the friendly interest which they have shown in the contemplated effort to suppress the opium evil in the Far East.

I further venture to inquire whether or not His Majesty's Government find it convenient to suggest a place and time of meeting of the proposed Commission, it being suggested that the several Governments may prefer to await the selection of a place and date of meeting before proceeding to name Commissioners.

I have, &c.

(Signed) WHITELAW REID.

Inclosure 1 in No. 21.

Prince Ch'ing to Mr. Rockhill.

(Translation.)

Your Excellency,

Foreign Office, Peking, July 23, 1907.

WITH regard to the proposal to appoint a Commission to investigate the opium question, I have the honour to acknowledge the receipt of your Excellency's note of the 15th instant, in which you explain clearly the meaning of the first and second paragraphs of your previous despatch. In the note under acknowledgment you also make the following statements:—

1. "As for the manner in which the investigation shall be conducted, the Commissioners themselves, after they shall have met together, must consider and decide upon such details, but none of the Governments represented will be bound to accept the conclusions of the Commissioners or to act upon their recommendations. . . . Each Government will reserve to itself the right to act as it may see fit."

2. "All that is now asked is that China will consent to the general principle of a Joint Commission for the investigation of the opium question."

3. "I trust . . . that I may be favoured at an early date with a reply assenting" to such general principle.

In reply, I have the honour to state that the Chinese Government is determined in its effort to prohibit the use of opium, but, not understanding the method of investigation which would be pursued by the Commission, my Board could not conveniently assent to the proposal before. Now, however, we have read your Excellency's second note, in which your Government's proposal is clearly explained. Moreover, your Excellency called at the Foreign Office on the 19th instant and explained that after the method of investigation shall have been agreed upon by the Commissioners, each Government will itself make the investigation within its own territory. This is the general plan as my Board understands it, and to this proposal we can consent. We will select and appoint a competent Commissioner, and as soon as all the Commissioners together have decided upon the method of investigation to be pursued, China herself will carry out the investigation in all the provinces.

It becomes my duty to send this note to your Excellency for your information, and I request that you will forward this reply to the Department of State.

(Seal of the Wai-wu Pu.)

Inclosure 2 in No. 21.

Herr von Tschirschky to Mr. Eddy.

*Imperial German Ministry for Foreign Affairs,
March 28, 1907.*

(Translation.)

IN reply to the note of the 27th February, 1907, the Undersigned has the honour to inform Mr. Spencer Eddy, Chargé d'Affaires of the United States of America, that the Imperial Government is very willing to accept the invitation of the United States, to take part conjointly with the Governments of the United States, Great Britain, France, Holland, China, and Japan, in a Conference for the investigation of the opium question and the opium trade in Eastern Asia. Further, if it should be deemed more practical, the Imperial Government would be willing to appoint a Commission to study the opium question and to investigate proposals, or it would name a Commissioner to take part in a united action.

The Undersigned, while desiring to be informed as to how the proposals of the United States have been received by the other Powers, avails, &c.

(Signed) VON TSCHIRSCHKY.

Inclosure 3 in No. 21.

M. van Goudriaan to Mr. Hill.

*Ministère des Affaires Étrangères,
La Haye, le 27 Mars, 1907.*

M. le Ministre,

EN réponse à la lettre de votre Excellence du 14 Février dernier, j'ai l'honneur de porter à sa connaissance que le Gouvernement de la Reine est disposé à coopérer de la manière indiquée à l'institution d'une enquête par rapport au commerce et à la consommation de l'opium en Extrême-Orient. Il procédera à la nomination d'un Délégué à la Conférence mentionnée par votre Excellence, ou bien à l'indication d'un membre dans une Commission éventuelle dès qu'il sera décidé de quelle manière l'enquête se fera.

Veillez, &c.

(Signé) VAN TETS VAN GOUDRIAAN.

(Translation.)

*Ministry for Foreign Affairs, The Hague,
March 27, 1907.*

M. le Ministre,

IN reply to your Excellency's letter of the 14th February last, I have the honour to inform you that the Queen's Government is disposed to co-operate in the manner indicated in the institution of an inquiry in regard to the trade in, and consumption of, opium in the Far East. It will proceed to appoint a Delegate to the Conference mentioned by your Excellency, or else to select a member to serve on the Commission, as soon as it is decided in what manner the inquiry is to be conducted.

I have, &c.

(Signed) VAN TETS VAN GOUDRIAAN.

Inclosure 4 in No. 21.

M. van Goudriaan to Mr. Hill.

*Ministère des Affaires Étrangères,
La Haye, le 11 Mai, 1907.*

M. le Ministre,

POUR faire suite à ma lettre du 27 Mars dernier, j'ai l'honneur de porter à la connaissance de votre Excellence que le Gouvernement de Sa Majesté la Reine est d'avis que la nomination d'une Commission Internationale serait préférable à la réunion d'une Conférence pour étudier la question de l'opium en Extrême-Orient.

Veillez, &c.

(Signé) VAN TETS VAN GOUDRIAAN.

(Translation.)

*Ministry for Foreign Affairs, The Hague,
May 11, 1907.*

M. le Ministre,

WITH reference to my letter of the 27th March last, I have the honour to inform your Excellency that the Queen's Government is of opinion that the appointment of an International Commission would be preferable to the summoning of a Conference for the purpose of studying the opium question in the Far East.

I have, &c.

(Signed) VAN TETS VAN GOUDRIAAN.

Inclosure 5 in No. 21.

Note by French Foreign Office.

PAR une note verbale en date du 26 Juin dernier, l'Ambassadeur des États-Unis a prié le Ministre des Affaires Étrangères de vouloir bien lui faire connaître la réponse du Gouvernement de la République à la proposition du Cabinet de Washington, en date du 25 Février, de soumettre à une Conférence Internationale ou de faire élucider, par des Commissaires nommés par les Puissances intéressées, la question du commerce de l'opium en Chine. Mr. White ajoutait que les Gouvernements Anglais, Japonais, Allemand, et Hollandais avaient déjà répondu à la proposition précitée qu'ils étaient prêts à se joindre au Gouvernement des États-Unis "en nommant des Commissaires pour étudier la question de l'opium, si la coopération de la Chine était assurée et si l'enquête à faire devait s'étendre à la production de l'opium aussi bien qu'à son importation."

Le Ministre des Affaires Étrangères a l'honneur de faire savoir à son Excellence Mr. White que le Gouvernement de la République est prêt à se faire représenter dans une Commission Internationale d'Enquête si les Puissances intéressées y sont également disposées, si la coopération de la Chine est assurée et si l'enquête s'étend à la production de l'opium en Chine aussi bien qu'à l'importation de l'opium étranger dans ce pays.

Le Gouvernement de la République estime que la procédure d'une Commission est plus pratique qu'une Conférence, qui ne disposerait pas actuellement de tous les éléments nécessaires pour formuler des règles précises, avant qu'une Commission n'ait procédé à une enquête détaillée sur la production, le commerce, l'usage, et les inconvénients de l'opium.

Paris, le 3 Juillet, 1907.

(Translation.)

IN a communication dated the 26th June last the United States' Ambassador requested the Minister for Foreign Affairs to inform him of the reply made by the Government of the Republic to the proposal of the Cabinet of Washington, dated the 25th February, to submit the question of the opium trade in China to an International Conference, or to Commissioners appointed by the Powers interested. Mr. White added that the Governments of Great Britain, Japan, Germany, and the Netherlands had already replied to the above-mentioned proposal to the effect that they were prepared to join the Government of the United States "in appointing Commissioners to study the opium question, if the co-operation of China was assured, and if the inquiry extended to the production as well as to the importation of opium."

The Minister for Foreign Affairs has the honour to inform his Excellency Mr. White that the Government of the Republic is ready to send a Representative to act on an International Commission of Inquiry if the Powers interested are similarly disposed, provided that the co-operation of China is assured, and that the inquiry extends to the production of opium in China as well as to the importation of foreign opium into that country.

The Government of the Republic considers that procedure by a Commission is more practical than a Conference, which would not be in possession of all the data necessary for drawing up formal regulations until a Commission had made a detailed inquiry as to the production, trade, use and disadvantages of opium.

Paris, July 3, 1907.

Inclosure 6 in No. 21.

Viscount Hayashi to Mr. Wright.

(Translation.)

M. l'Ambassadeur,

*Department of Foreign Affairs, Tókió,
March 27, 1907.*

I HAVE the honour to acknowledge the receipt of your Excellency's note under date of the 8th instant, stating that the inquiries made by the United States' Government towards the end of last year about the views of the Imperial Government and of the British Government, relative to the limitation and suppression of the opium traffic, having elicited favourable replies from these Governments as to the investigation on the subject, your Excellency's Government have made further inquiries of the Governments of France, Germany, and the Netherlands as to whether they would join in an International Conference on the question, or whether, if another course were deemed more convenient and practical, each of the Governments would be prepared to name a Commissioner, who would undertake to investigate the subject. Your Excellency now makes a similar inquiry as to the views of the Imperial Government on the question.

In reply, I beg leave to state that the Japanese Government would have no objection to either course being taken of convening the International Conference or of naming a Commissioner, when each of the Governments above mentioned will have consented thereto.

I avail, &c.
(Signed) Viscount HAYASHI,
Minister for Foreign Affairs.

No. 22.

Sir J. Jordan to Sir Edward Grey.—(Received November 2.)

Sir,

Peking, September 18, 1907.

WITH reference to my despatch of the 30th April last, I have the honour to transmit to you herewith copy of a despatch which I have received from Mr. Sundius, Acting British Consul at Chinkiang, reporting that a notice has been issued by the Municipal Council, prohibiting the sale of prepared opium within the limits of the Concession.

I have, &c.
(Signed) J. N. JORDAN.

Inclosure in No. 22.

Acting Consul Sundius to Sir J. Jordan.

Sir,

Chinkiang, August 25, 1907.

I HAVE the honour to state that copy of your despatch of the 30th April last was communicated to the Chairman of the Chinkiang Municipal Council as soon as it was received by myself. This was read at the next Council meeting, and I was informed that due effect would be given to your wishes. A notice has now been issued by the Council, prohibiting the sale of prepared opium within the limits of the Concession, thus anticipating any similar action on the part of the Chinese authorities outside. It does not entail any real hardship on the licensed opium dealers, six in all, not one, as I had been previously misinformed, who one and all have denied to emissaries of mine that they dealt in the prepared drug.

The last opium-smoking establishment in the Concession was closed in 1891, not 1897, as stated.

I have, &c.
(Signed) A. J. SUNDIUS.

No. 23.

Sir J. Jordan to Sir Edward Grey.—(Received November 18.)

Sir,

Peking, October 2, 1907.

IN compliance with the instructions contained in your telegram of the 7th ultimo, I consulted the Governor of Hong Kong as to the proposal that the trade in prepared opium between Hong Kong and the mainland of China should be prohibited, and that each Government should adopt such measures as it deemed fit to prevent smuggling into its own territories.

Having received Sir F. Lugard's assent to the arrangement, I communicated it officially to the Chinese Government in a note dated the 21st instant, copy of which I have the honour to transmit to you herewith.

I have, &c.
(Signed) J. N. JORDAN.

Inclosure in No. 23.

Sir J. Jordan to Wai-wu Pu.

Your Highness,

Peking, September 21, 1907.

I HAD the honour to inform your Highness in paragraph 4 of my note of the 12th ultimo, respecting the restriction of the importation of opium, that as regards the preparation of boiled opium in Hong Kong and the proposals of the Chinese Government for preventing its import into China my information was not yet complete, and I must therefore defer making a reply upon this point.

I have now received instructions from His Majesty's Government to the effect that they are willing to agree to the prohibition of import and export in prepared opium between Hong Kong and China, and they propose that each Government shall take measures to prevent smuggling into its own territories.

I accordingly have the honour to communicate this proposal to your Highness, and avail, &c.

(Signed) J. N. JORDAN.

No. 24.

Sir Edward Grey to Mr. Whitelaw Reid.

Your Excellency,

Foreign Office, November 27, 1907.

I HAVE the honour to inform you that a reply has now been received from the Secretary of State for India to the reference made to him in regard to the proposal of the United States' Government to appoint a Commission to investigate the question of the opium trade in China.

I shall be glad if your Excellency will be so good as to inform the United States' Government that His Majesty's Government have learnt with pleasure that the Governments concerned, in accepting the proposal in principle, have expressed a preference for a Joint Commission; and that, at this stage, His Majesty's Government will be glad, if possible, to receive some more precise information as to the proposed procedure of the Commission, and the time and place of meeting, which they prefer to leave to the initiative of the American Government, the originators of the proposal.

I am, &c.
(Signed) E GREY.

Sir J. Jordan to Sir Edward Grey.—(Received December 5.)

(Telegraphic.)

Peking, December 4, 1907.

ERADICATION of opium in China.

Please see Inclosure I in my despatch of the 14th August.

Following is substance of a note which has been addressed to me by the Wai-wu Pu, under date the 2nd instant. in which the Board express the high appreciation felt by the Chinese Government of the cordial support which they have received from His Majesty's Government and reply to the various points under consideration :—

1. Chinese Government accept proposal made by His Majesty's Government to diminish export annually for a period of three years from January 1908, and agree to proviso which His Majesty's Government have attached to this proposal. They state, however, that, according to the Customs returns, the average annual import of opium into China during the five years 1901 to 1905 inclusive, amounted to 42,327 chests, each 120 catties in weight, and they ask that that figure may form the basis of the proportion of annual diminution.

2. Chinese Government accept stipulation that officer shall have no power to interfere.

3. Chinese Government find it difficult at present to go fully into the three points on which information is required by His Majesty's Government. The Board reserve the question therefore for future discussion, but they propose to postpone levy of the double duty.

4. Wai-wu Pu agree to proposal (please refer to my despatch of the 2nd October), and steps to prevent smuggling of prepared opium into China will be taken.

5. Wai-wu Pu accept views of His Majesty's Government as evidence of their intention to accord the fullest measure of support to China in eradicating the evil, and refer to what has been already effected outside the limits of settlements and concessions as evidence of their own action.

6. Chinese Government have secured the co-operation of all the Powers with the exception of Japan.

The note concludes by stating that it is the earnest hope of China to effect the complete eradication of opium, seconded as she is by the assistance of Great Britain.

I have repeated this telegram to the Viceroy of India.

Sir Edward Grey to Sir J. Jordan.

(Telegraphic.)

Foreign Office, January 4, 1908.

PLEASE refer to your telegram of the 4th December, 1907.

The difference between the 51,000 chests given by His Majesty's Government and the 42,327 chests returned by the Maritime Customs is due to the former including all chests consigned to Treaty ports or to Hong Kong from India.

His Majesty's Government made a counter-proposal to the following effect, viz., that the import of Indian opium into China should not be directly restricted in Treaty ports but that the total export from India to all countries beyond the seas should be reduced by the Indian Government. If the Chinese Government accept this, the reduction by 5,100 chests a-year of the total export is more favourable to Chinese policy than reduction by 4,232 chests. But the Customs figures would be accepted for computing five years' average, if the Chinese Government proposes to obtain the right to impose direct restriction on import of Indian and other opium in Treaty ports by Convention with Treaty Powers.

The Chinese Government should understand that the Indian Government will be free to regulate export from India beyond seas in accordance with the latter's estimate of the general demand under these new conditions, and the counter-proposal will drop if direct restriction is applied at Treaty ports.

By transshipment or by a change of the ship's destination any restriction imposed in India on amount of opium to be exported to a given destination could be

evaded. Choice lies between direct limitation by China of import into Treaty ports,—which plan, however, before it could be put into operation, would require to be accepted by other Powers—and between limitation by India of total export to all countries.

No. 27.

Sir J. Jordan to Sir Edward Grey.—(Received January 11, 1908.)

Sir,

Peking, November 25, 1907.

I HAVE the honour to transmit to you herewith copy of a letter which has been addressed to the Senior Consul at Shanghai by the Chairman of the Municipal Council, stating the local aspect of the opium question, so far as it presents itself to that body.

You will see that for the present the Council has directed that the issue of fresh licences to houses and shops for the consumption and sale of the drug shall cease, but that they consider that it is desirable to await the full discussion and ventilation of the subject at the general meeting of ratepayers, which takes place in March next, before the settlement of any definite policy in regard to a future course of action.

I have, &c.

(Signed) J. N. JORDAN.

Inclosure in No. 27.

Municipal Council to M. Siffert.

Sir,

Council Room, Shanghai, October 18, 1907.

WITH reference to your letter of the 24th July, and in reply to that of the 16th October, I have the honour to state that, so far as the Council is concerned, the local aspect of the opium question presents the following features :—

Under provision of the Land Regulations, and under directions given annually at the general meeting of ratepayers, the Council licenses houses and shops for the consumption and sale of the drug according to an approved scale. It is thus desirable to await the full discussion and ventilation of the subject, in March next, before settlement of any definite policy in regard to a future course of action.

For the present the Council has gone so far as to direct that the issue of fresh licences shall cease and, in fact, no new premises have been licensed during the past three months.

It appears to the Council reasonable that during the next ten years the issue of licences shall gradually be so restricted as to bring about their complete cessation synchronously with the operation of the Regulations for the suppression of opium, which received Imperial sanction in November last.

I have, &c.

(Signed) D. LANDALE,
Chairman.

No. 28.

Sir J. Jordan to Sir Edward Grey.—(Received January 11, 1908.)

Sir,

Peking, November 27, 1907.

DURING the past year reports have from time to time been sent to you of the progress of the measures which the Chinese Government and the provincial authorities were taking for enforcing the Opium Decree of the 20th September, 1906, but the information thus furnished was necessarily of a somewhat fragmentary character.

In order to convey an adequate idea of the results attained during the first year in which the Decree has been operative, I requested Mr. Leech, the Councillor of the Legation, to bring all the information at our disposal into a general and accessible form, and the result is the Report which I have now the honour to transmit to you, and which will, I venture to think, prove both instructive and useful.

I have, &c.

(Signed) J. N. JORDAN.

Inclosure in No. 28.

General Report on Opium.

GLOSSARY.

THE following glossary is given of words used in this Report which may not be familiar to those who read it:—

TAOTAI: The Intendant of a circuit usually composed of several prefectures within a province.

YAMEN: An official residence.

MANDARIN: A general term for an official.

GENTRY: Influential people, not necessarily landowners.

TUNGSHUI: Consolidated provincial dues; in this Report applicable to native opium, which pays a uniform tax of 115 Kuping taels per picul, whether for export or consumption, and on payment of which the drug is labelled, and can then circulate freely throughout the Empire.

Li-kin: An inland transit tax.

CONCESSION: An area of land leased in perpetuity by a foreign Government from the Chinese Government.

SETTLEMENT: An area of land selected as a suitable place for foreigners to reside.

CATTY: $1\frac{1}{3}$ lbs.

PICUL: $133\frac{1}{3}$ lbs. (100 catties).

MACE: $1\frac{1}{3}$ oz.

HAIKWAN TAEI: The average demand value was 3s. $3\frac{1}{2}$ d. in 1906.

KUPING TAEI: Is the Government Treasury tael, differing slightly from a Haikwan tael.

MACE: $\frac{1}{10}$ th of a tael.

CASH: About 1,200 are equal to 1 tael.

DOLLAR: Present exchange is 2s. 2d.

AS a year has now elapsed since the issue by the Chinese Government of the eleven Regulations framed for the enforcement of the Opium Edict of the 20th September, 1906, it will be of interest to review the results which have been so far obtained, and the measure of success which has attended the stupendous task of attempting by legislation to eradicate a national and popular vice in a country whose population is generally estimated at 400,000,000.

China has not hesitated to deal with a question which a European nation, with all the modern machinery of government and the power of enforcing its decisions, would probably have been unwilling to face.

Though it is too early to expect any very definite result, the amount of success (and it is appreciable) which has hitherto been obtained produces the impression that the task which the Government has undertaken can be fulfilled, and shows conclusively that the Chinese people in general consider opium smoking a vice, from which they would willingly free themselves, inspired by what a missionary has aptly described as an ill-defined moral and patriotic motive.

The Court attaches great importance to the conscientious fulfilment of the Decree and Regulations, and the fact that the Central Government has found it necessary to adopt the unusual course of repeating the instructions at frequent intervals would seem to show that they are not altogether satisfied with the response which has been made. Moreover, the Decree of the 10th October, 1907, removing from their offices a number of high dignitaries and Princes who have failed to break off the opium habit within the limit of the prescribed time, indicates the determination of the Palace to insist on obedience.

If this example of the Court is upheld and followed by the authorities in the provinces, there seems no reason why the object of the Decree should not be attained in the specified term of ten years. The Vice-Presidents of the Censorate and of the Law Reform Committee, who were confirmed opium smokers, have recently died in consequence of having had to give up the habit. These sad results of virtue have caused the stringency of the Regulations to be relaxed, and those past 50 instead of 60 years of age are now to be allowed to continue smoking; while those who have been addicted to the habit

for ten years may continue to smoke in diminishing quantity during the ten years allowed for total abolition of opium.

The steps to be taken towards a general suppression of opium smoking practically only commenced in August last, and as the poppy is in most places a winter crop, and is usually sown in the late autumn, no reduction in the area under cultivation could be made last year in obedience to the Decree, while, as the seed is only now being sown, it is too early to judge how far the Regulations are being carried out in this respect.

Before explaining the action which has been taken in each province to carry out the Imperial Decree, it will be well to mention the difficulties with which the Government has to contend.

Foremost among these is the increasing difficulty experienced by the Central Government in enforcing their wishes in the provinces. The opium habit is one indulged in by all classes of society throughout the vast Empire, and is practically the principal, if not only, national stimulant. If opium goes, its place will not long be empty, and if its substitute is one which produces aggressive action rather than sedative inaction, the change will scarcely be a good one.

The loss of revenue will, under present conditions, be less severely felt by the Central Government than by the provinces. In a country where official statistics do not exist, and where there is often great irregularity of procedure, it is difficult to obtain figures which are absolutely reliable, but competent authorities assert that out of the total annual revenue of about 6,500,000*l.* collected on native opium only 1,750,000*l.* reaches the Central Government, the remainder being employed in the provinces. Formerly taxation on native opium varied in different provinces, but in July 1906 it was abandoned in favour of a uniform tax of 115 Kuping taels per picul, known as "tungshui," leviable on all native opium, whether for export or local consumption. Once paid, the drug can circulate free throughout the Empire. Owing to the difficulties of enforcing this tax in the Province of Szechuan, the Central Government have permitted a return to the tax formerly levied, viz., 27·28 taels per picul and an additional 5·28 taels levied for railway purposes, which reduces the price of the drug in the province, but increases it in others, where it still has to pay the 115 taels "tungshui" on entering. Foreign raw opium pays 30 taels (Haikwan) import duty and 80 taels *li-kin*, and receives a Customs stamp which accords free circulation in China.

The prospective loss of revenue, however, is a matter which would not seem to have caused much anxiety to the Central Government, and, as far as can be ascertained, no concrete proposals have yet been made to replace the eventual loss to the Exchequer. In the provinces, however, the progress of the movement has been greatly hampered by the revenue difficulty and the prospect of dislocated finances.

Whether China can completely obtain the goal she seeks without Government control of opium, both native-grown and imported, is somewhat doubtful. At present she is debarred from doing so by Article V of the British Treaty of Nanking of 1842 and Article XIV of the French Treaty of Tien-tsin of 1858, which run as follows:—

Article V of the British Treaty of Nanking, 1842:

"The Government of China having compelled the British merchants trading at Canton to deal exclusively with certain Chinese merchants, called hong merchants (or co-hong), who had been licensed by the Chinese Government for this purpose, the Emperor of China agrees to abolish that practice in future at all ports where British merchants may reside, and to permit them to carry on their mercantile transactions with whatever persons they please; and His Imperial Majesty further agrees to pay to the British Government the sum of 3,000,000 dollars on account of debts due to British subjects by some of the said hong merchants, or co-hong, who have become insolvent, and who owe very large sums of money to subjects of Her Britannic Majesty."

Article XIV of the French Treaty of Tien-tsin of 1858:

"Aucune Société de Commerce privilégiée ne pourra désormais s'établir en Chine, et il en sera de même de toute coalition organisée dans le but d'exercer un monopole sur le commerce. En cas de contravention au présent Article, les autorités Chinoises, sur les représentations du Consul ou de l'Agent Consulaire, aviseront aux moyens de dissoudre de semblables Associations, dont elles s'efforceront d'ailleurs de prévenir l'existence par des prohibitions préalables, afin d'écarter tout ce qui pourrait porter atteinte à la libre concurrence."

Both in former years and since the issue of the Edict attempts have been made both in the direction of interfering with the importation of foreign opium and the

establishment of official monopolies, and successfully opposed by Great Britain as contrary to Treaty stipulations.

The financial side of the question in connection with the establishment of a State control or monopoly is a very serious obstacle to be overcome should the matter ever come within the bounds of practical politics. In the cases where State control was recently commenced it was found necessary to seek the assistance of the native opium merchants in order to overcome the difficulty. Although China can deal with native-grown opium as she wishes, wherever the interests of British opium merchants have been effected by these monopolies complaint has been made, and they have in consequence been abandoned, except in the non-Treaty cities or ports where they have been established.

Official control of any undertaking is in these days regarded in China with suspicion and dislike by the non-official classes, who would find no difficulty in convincing the people that the officials, so far from endeavouring to suppress the use of opium, were converting the traffic to their own advantage. However, it is evident that China cannot establish State control of foreign opium without the consent of the Treaty Powers, and, to judge from the past, it is questionable whether she would obtain the consent of all without having to pay very dearly by way of *quid pro quo* to some, and also doubtful if all would be prepared to approach the question from a purely moral standpoint.

The position of the Chinese Government in regard to the opium question is not dissimilar to that in which His Majesty's Government would find themselves if they desired to suppress the distillation and consumption of whisky in the British Isles without being able, owing to Treaty stipulations, to introduce efficient Government control or prevent the importation of the spirit from abroad.

The amount of opium produced in China in 1906 has been estimated at 330,000 piculs (a picul equals 133½ lbs.), and the accompanying map shows the various provinces and the amount of opium attributed to each, though the Province of Fukien is probably under-estimated. It will thus be seen that Szechuan alone produces close on two-thirds. Of this total production only 4,730 piculs were exported to foreign countries in 1906, of which the chief items were 4,013 piculs to French Indo-China, and 147 to Hong Kong, *en route* probably to Formosa.

Foreign raw opium imported in the same year was as follows:—

Indian—								Piculs.
Malwa	..	..	..	..	..	..	..	14,465
Patna	..	..	..	..	..	..	..	25,486
Benares	..	..	..	..	..	..	..	13,479
								<hr/> 53,430
Other kinds	..	..	..	..	..	..	..	795
								<hr/> Total 54,225

Thus China may be said to have required for her own consumption, 1906:—

								Piculs.
Native opium	..	..	..	..	..	..	..	325,270
Foreign opium	..	..	..	..	..	..	..	54,225
								<hr/> Total 379,495

or 50,599,333 lbs. weight, or 22,588 tons, of which about one-seventh comes from India.

It is said that, during the *pourparlers* which preceded the Anglo-Chinese Commercial Treaty of 1902, a suggestion was made by the Chinese negotiators that the Chinese Government should annually purchase the Indian export of opium with a view to controlling the sale of the drug in China, but that the question went no farther. Indian opium is stronger than that grown in China, and, moreover, the latter is frequently adulterated, which adds to its inferiority. It may be said that a smoker who requires to take 3 mace of Indian opium to produce a certain effect would, on the average, require 4 to 4½ mace of the native drug to obtain the same result.

The Imperial Anti-opium Edict of the 20th September, 1906, is as follows:—

“Since the restrictions against the use of opium were removed, the poison of this drug has practically permeated the whole of China. The opium smoker wastes time and neglects his work, ruins his health, and impoverishes his family, and the poverty and weakness which for the past few decades have been daily increasing among us are undoubtedly attributable to this cause. To speak of this arouses our indignation; and at a moment when we are striving to strengthen the Empire it behoves us to admonish

the people, that all may realize the necessity of freeing themselves from these coils, and thus pass from sickness into health.

"It is hereby commanded that within a period of ten years the evils arising from foreign and native opium be equally and completely eradicated. Let the Government Council (Cheng-wu Chu) frame such measures as may be suitable and necessary for strictly forbidding the consumption of the drug and the cultivation of the poppy; and let them submit their proposals for our approval."

And was supplemented by the eleven Regulations* issued two months later for the enforcement thereof, and the Imperial Edict of the 26th June last† in the form of a reminder.

Considerable latitude is not infrequently taken in China by the provincial authorities both in the interpretation of the spirit of an Imperial Decree, and in the steps they decide to take to enforce its provisions; but the Imperial wishes have undoubtedly been brought to the notice of most of the inhabitants of the Empire, and in every province special Rules and Regulations of some kind have been drawn up with a view to carrying out the desire of the Throne.

The average price per picul of raw native opium in the district in which it is produced, and before taxation of any kind, is 250 taels. In certain districts the price is as high as 500 taels, while in Szechuan Province, where, roughly speaking, as much as two-thirds of the native drug is both grown, prepared, and smoked, the average price is from 150 to 200 taels per picul.

Native raw opium when prepared (that is, boiled) is reduced to about 65 per cent. of what it was before that process. Indian opium after a similar process works out at about 75 per cent. These figures, however, are only approximate, and it is quite impossible under present conditions to reach anything more trustworthy.

The important point in this Report being to show what really effective steps have been taken by the provincial authorities to carry out the Decree, it will, in regard to good intentions, be sufficient to say that the special Rules and Regulations they have issued in their districts have generally been in the right direction, though of great variety. In some instances they have been quite inadequate, and in others either not enforced or disobeyed.

In taking each province by itself, therefore, mention will rarely be made of the different local enactments, and the account will be restricted to a statement of what has actually been done to obey the Decree.

These accounts are chiefly based on reports supplied by His Majesty's Consular officers, who have been kindly and ably aided by the British Protestant missionaries in their Consular districts, many of whom, from their long residence in China and intimate knowledge of the country and people, have afforded both reliable and valuable information, often from remote spots where they are perhaps the only European inhabitants.

Many of the replies which have been received from the missionaries to the questions put to them on the subject have been negative, and show that in numerous districts little or nothing has been done or even attempted to carry out the Regulations; but wherever the local authorities are sincere, energetic, and enlightened a beginning has been made and the fire of enthusiasm lit; still, as one Consul has remarked, it is necessary that some one should continue to apply the bellows.

In any case the information from which this Report is composed is undoubtedly the most far-searching, reliable, and accurate which exists on the subject at the present time.

Fengtien Province may be classified as a portion of Manchuria for the purposes of this Report, and the annual production of opium in Manchuria is estimated at 150,000 piculs.

In Mukden and other towns the opium dens have all been closed and their business has ceased. Opium shops still remain open, where the raw drug can be purchased, and its preparation at home presents no difficulty.

In Newchwang two refuges have been opened by the Taotai to assist people to cure themselves of the opium habit.

In Manchuria the poppy is grown as usual.

Mongolia.—More land is this year being given over to poppy cultivation, and although the Mongolians are reported to have obeyed the Proclamation, the Chinese inhabitants now sell and smoke as usual.

* See p. 4.

† See p. 19.

Chinese Turkestan.—From Kashgar it is reported that the Imperial Edict and Regulations are a dead letter, most people being ignorant of their existence.

Chihli Province.—Production 10,000 piculs. In Peking itself, although some obscure dens may have eluded the vigilance of the police, it may be said that they have been closed. Shops are inspected and registered, but so far smokers do not register themselves. Orders have been issued for the abandonment of smoking among the officials and retainers of the Palace, but there is no means of ascertaining how far they have been carried out.

Tien-tsin.—The dens are all closed in the city, while two proprietors who disobeyed were fined 100 and 300 dollars respectively, and each received 100 blows. The shops for the sale of raw or prepared opium are open, but under official supervision. The poppy area has decreased as a direct or indirect result of the measures introduced by his Excellency Yuan Shih K'ai, the former Viceroy.

In the country districts a certain number of dens were closed, but by the month of June general slackness and indifference were shown in regard to the whole matter.

In the month of April the Consolidated Opium Tax Bureau, which is a branch of the head office in Hupei, and unquestionably an official institution, issued a Proclamation urging the cultivation of the poppy for the sake of revenue, which can only be looked upon as an extraordinary proceeding in face of the Decree.

Jehol.—The dens have all been closed officially, but smoking still goes on in other houses, and the officials have not the courage to take any steps.

Shansi Province.—Production, 5,000 piculs. As a result of the Decree, the duty on opium has been raised. The Provincial Treasurer has opened free dispensaries for the cure of the opium habit, and set aside 3,000 taels for the preparation of medicine for sale or free distribution by the officials. Between 300 and 400 applicants were reported to present themselves daily, and there is apparently a real desire among the people to overcome the vice. Some forty-one shops in the capital (T'ai Yuan Fu) sell anti-opium medicines.

In one district in the north of the province quite a number of the poor are giving up the habit, and the poppy area is being considerably reduced, while half the dens are closed. In another, although nothing is done to restrict the continually increasing cultivation of the poppy, establishments for distributing anti-opium medicines are fairly generally started; the officials and gentry are favourable to the movement, have held meetings, and by exhortation some have been induced to relinquish the habit.

In Southern Shansi very few dens exist. Some people smoke in the opium shops, which are all registered and licensed, and, in addition to a licence fee, a tax of 100 cash (·08 tael) per ounce is levied on all raw opium purchased by the shop. The sale of anti-opium medicines has increased, and smoking is prohibited in Government schools.

At Ping-yang, one of the chief towns in the south of the province, both dens and shops pay a monthly tax. Although none of them have been closed, no new ones are allowed to be opened.

The returns of the area under poppy are both carelessly and irregularly made.

Shensi Province.—Production, 10,000 piculs. Generally speaking, no action has been taken beyond the publication of the Imperial Edict. The gentry are indifferent, and apathy reigns supreme, the Regulations being totally disregarded. Ten per cent. of the land is under poppy, and more is grown this year than last. In one district the farmers have reduced the area of poppy land owing to the decision of the authorities to impose an extra tax on land growing the crop.

In the centre of the province, north and south of the Hwei River, the gentry have established an Anti-opium League and distributed medicine gratis. Opium shops are inspected and their books examined. The dens, though few in number, have not been closed.

In the district of Hangchung-fu a missionary reports that the inhabitants, on hearing of a Proclamation which was received but never published, threatened to boycott all foreign goods.

Kansu Province.—Production, 5,000 piculs. Practically no official action has been taken in this far-off and conservative province. Few dens existed, as the people prefer smoking at home, but where they were found they have been generally closed.

More poppy is grown than ever, and in one district an official urged the people to plant for all they were worth, and to make hay (or opium) while the sun shone; in consequence, five times as much was sown. One missionary sends a discouraging report that the high price of opium has induced people to take to drink, while another states that those in his neighbourhood are trying various medicinal herbs as a cure.

Shantung Province.—Production, 10,000 piculs. At Chefoo the issue of the Proclamations was sufficiently effective to induce the owners of dens, about 300, to close these establishments of their own accord, except in the case of one proprietor, who required compulsion, and was subsequently paraded through the streets in chains, bearing his pipe in one hand and his lamp in the other.

The officials are credited with a sincere desire to assist the movement, and the people also appear anxious to see opium abolished, but smoking meets with such general and popular appreciation that its suppression will depend on the *bona fides* of the Government, or rather on the energy of the local officials, and fortunately these seem to be really in earnest.

One refuge has been established for the cure of the habit. But little poppy is grown near Chefoo, and there has been no restriction of the area, although returns were being prepared of the amount of land under poppy cultivation. In one instance the farmers, alarmed at the energy of the Inspectors, destroyed the growing crop. The officials have registered themselves, and in one district 50 per cent. of them are reported to have given up smoking, and so have 70 per cent. to 80 per cent. of the people. From another district one hears that smokers do not register themselves, though shops are inspected, and a report has been drawn up of their approximate number.

Chinan-fu.—As a result of enhanced taxation, only one-third of the land formerly devoted to poppy in the south-west portion of the province is used for opium.

An official Prepared Opium Bureau has been opened, and native opium is to be subjected to the following experimental taxation :—

1. Land tax (amount not specified).
2. Licence tax for selling prepared opium, 5 taels. For a district monopoly 50 taels is charged, and 1 tael for each branch shop.
3. "Tungshui" tax (115 taels) to be paid by the merchant at the first barrier, and prepared opium to pay from 70 to 116 taels per picul.

Kiangsu Province.—Production, 5,000 piculs. This province is the foremost in China in anti-opium measures.

In Nanking 100 dens were shut and their appliances destroyed because the proprietors refused to pay the new prepared opium tax. Effective measures of suppression are said to be in force among the student and military classes.

The official monopoly of prepared opium was to have commenced on the 8th September, but was suspended on the protest of His Majesty's Government that it came in conflict with Treaty provisions. The whole scheme is now in abeyance, and meanwhile all dealers in opium, raw or prepared, carry on their business as before, though no lamps are allowed on the premises. Rules relating to raw opium and the registration of smokers await the reply of the Viceroy's Memorial to the Throne.

Chinkiang.—All dens in the native city are closed, though some are still allowed to sell prepared opium for consumption off the premises, but only to known confirmed smokers. This was effected under the personal supervision of the Taotai, who, finding two proprietors smoking in their divans, administered 200 blows to the one and locked up the other.

The same procedure has been adopted in two other towns in the Taotai's district.

The British Concession at Chinkiang is the only British one in China where opium establishments existed; these have now been closed, an order having been issued by the Municipal Council prohibiting the sale of prepared opium within the Concession, thus anticipating any similar action on the part of the Chinese authorities. No real hardship was entailed by this order, for the licensed opium dealers, six in all, had each denied that he dealt in prepared opium.

Soochow.—All shops registered at the Prepared Opium Bureau received a licence and paid the tax. A Proclamation has been issued that the price of prepared opium is raised by one-tenth, and of this increased taxation two-fifths goes to the *Li-kin* Bureau and three-fifths towards the expenses of the Anti-Opium Bureau. This Bureau has opened a department for the care and treatment of those addicted to smoking.

First-class patients pay 6 dollars until cured; second-class, 3 dollars, half of which will be returned when the patient is cured; third-class are treated gratis. Accommodation is provided for 100 persons at a time. The proctor of the Anti-Opium Bureau has been cashiered for lack of zeal.

Shanghai.—Here the authorities had to contend with the powerful influence and opposition of the rich commoners who derive their wealth from opium. These

authorities, as well as the gentry and respectable merchants, were in favour of the Decree, and the closing of the dens became a fashionable and popular movement. Though trouble was anticipated, the closing of the 700 dens in the native city was peacefully and successfully carried out, the Opium Guilds having given way and supported the Taotai. Their suppression, however, did not appear to diminish the consumption of opium, shop sales rather increasing than otherwise. Finally the shops were closed.

An account of the attitude taken up by the Municipal Council of the International Settlement at Shanghai and by that of the French Concession is given at the end of this Report.

Anhui Province.—Production, 3,000 piculs. At Wuhu practically nothing has been done to carry out the Decree, though in certain districts some attempt has been made to keep students and new troops from the habit. There is general inaction, owing to fear of riots and the absence of means to quell them.

Though little poppy is grown in the province, a riot occurred near Wuhu in the summer, due to the arbitrary uprooting of the whole poppy crop in the district by the Magistrate, and generally as a protest against the Decree.

Just when the dens were to be closed, the Governor was assassinated, and the authorities turned their attention to revolutionaries and shelved the opium question.

At the beginning of August all the dens were closed in Wuhu in order to enable a report to be made to that effect, but by the beginning of September they were all open again.

In several of the country districts they have been more effectively closed, though smoking still continues in private, as shops are still open; but it has diminished to a certain extent.

At Ningkuo refuges have been established, while the officials and gentry are in favour of the Decree.

The poppy area is reduced to one-eighth of what it was last year, but this is due to the heavy squeeze then exacted.

In the south-west of the province the number of dens if anything is on the increase, and morphia is greatly used. Nearly all the anti-opium medicines contain either opium or morphia, and the cure therefore only continues as long as the medicine is taken.

Chekiang Province.—Production, 5,000 piculs.

Hangchow.—The gentry and better classes are favourable to the movement. The officials have registered themselves as smokers or non-smokers, mostly signing documents of a non-committal kind to the effect that if they smoked they should be given six months' leave in which to cure the habit, and that, if then still addicted, they would consent to be handed over to the police.

The dens are all closed, and the Anti-Opium Society has opened a school for opium smokers, where they can learn trades, and advances loans to approved ex-denkeepers in order to enable them to start some other business. The Society also purchased the old smoking utensils, 5,000 of which were publicly burned. Anti-opium pills are distributed gratis. A thriving trade is done by selling opium in the form of anti-opium pills, so that the people can change smoking for eating opium, which is cheaper and more convenient. It is stated on very reliable authority that it is far more difficult to cure opium or morphia eating than smoking or injection. The Anti-Opium Society is adopting similar measures in the country districts.

The Provincial Treasurer has been suspended on account of his opium tendencies.

At Chuchow, in the south of the province, the local officials have either given up the habit or are endeavouring to do so, and one is said to have died in the attempt. The dens are all closed, and the trade of the opium shops is reduced to one-sixth of what it was last year.

At Yenchow, in the east of the province, all the dens are closed, and anti-opium medicines are distributed gratis under the auspices of the leading officials and gentry.

Ningpo.—Activity in the movement has been delayed owing to the circumstance that the revenue is chiefly derived from opium, and cannot be dispensed with until a new source is found.

Both the Prefect and the Magistrate are said to have given up the habit, while two-thirds of the population are in favour of the Decree.

Apparently there is no decrease in the poppy-growing area.

All the dens in the city and in the Settlement are closed.

Kiangsi Province.—Production, 500 piculs. Generally throughout the province the dens have been closed and without any trouble, though shops selling raw opium are still

open. The people are in sympathy with the Decree. But little opium is grown in the province. In the north-eastern portion only two-thirds of the old poppy ground has been taken up for the same purpose; but this is said to be due, not to the Decree, but to the high price obtainable for rice and flour. In any case it is not possible to form a reliable opinion till the winter crop appears.

At Yaochow the head of police, said to be the only opium-smoking official in the city, has been suspended for six months pending his cure.

Fukhien Province.—Production, 2,000 piculs—probably under-estimated.

In Foochow a native Anti-Opium League has been started, and, owing to the energy exercised, some 500 dens have been closed.

The high officials are said to have given up smoking. Three large and successful refuges have been opened in the city, and the treatment is gratis.

In the surrounding district all the dens are closed, and a very heavy fee is imposed for licences to opium shops. Four refuges have been opened and financed by the gentry, also many private ones. Admission is $2\frac{1}{2}d.$ a-day for food and treatment, and free for the poor. Each building holds about twenty.

At Hsing-hua all the dens are closed, six proprietors having been cangued for refusing. A meeting has been held by the officials and gentry, when it was decided to open refuges.

Amoy.—For some time no active measures were taken, but as soon as the Foochow Taotai sent officials to inquire why nothing had been done the local Taotai hastily issued a Proclamation on the 10th of July, and closed all the dens by the 19th, which shows what can be done in China when the officials are in earnest. Opium can still be purchased in retail shops, but may not be consumed in public places.

The poppy area is small, and some 50 miles north of Amoy has been reduced, owing, it is said, to the attitude of the Government.

The more important officials are endeavouring to give up the habit, also some of the *literati*.

Kuangtung Province.—Production, 500 piculs.

Kiungchow (Hainan Island).—Official control over the people is here purely nominal. Some 300 persons have registered themselves as smokers, and one or two dens have been closed.

Canton.—There is considerable activity among the Anti-Opium Societies and students in the way of propaganda, and well-attended meetings have been held, while smoking is no longer the fashionable vice. It has been decided that all officials are to cease smoking; all divans are to be registered, and the lawless ones closed. All smoking is to cease in hotels, restaurants, and brothels.

In June there was evidence of a desire to start opium farms in the provinces of Kuangtung and Kuangsi on the lines of that in Hong Kong, but the immense practical difficulties to be encountered prevented the idea from being carried out.

In September the authorities introduced a new licence fee, which, from the manner of its incidence, was in opposition to Treaties. It was withdrawn on the protest of His Majesty's Consul-General. Similar attempts were made in 1902 and 1903, but failed. It is reported in the newspapers that a non-commissioned officer, together with several others was executed by order of the Viceroy for assembling to smoke opium.

Swatow.—Little attention is paid to the Edict beyond a prohibition to smoke in public places. Purchasers may buy as much opium as they require, but must smoke at home. There are no licences.

In the neighbourhood of Swatow the dens are closed, and popular feeling is undoubtedly in favour of prohibition. In one case a den which remained open after the time limit was plundered by the people, but whether owing to moral indignation or to recognition of a favourable occasion to loot is uncertain; but the incident tends to show that the movement has public sympathy. Many Anti-Opium Societies have been started.

Little poppy is grown, and the area is decreasing.

At Chao-chow, though some thirty divans have been closed, all is confusion as far as the rest of the Decree is concerned, and the only practical proof of success is the fall in the import of opium by ten chests a month, while the price of foreign opium shows a steady decline. Native has also fallen in value.

Kuangsi Province.—Production, 3,000 piculs. At Nanning popular enthusiasm in favour of the Decree is so great that strong measures meet with no opposition. The dens are closed and a thorough inspection made by officials, who visit every shop, house, and hovel to obtain particulars regarding smokers.

At Kueilin, the capital, efficient measures were at once taken by the authorities.

The dens are closed, but the drug can still be purchased in the retail shops. The future prospects are looked upon as distinctly hopeful, according to a missionary. Public feeling is aroused, and an energetic Governor is all that is wanted.

At Wuchow the action of the officials has been fairly satisfactory. The dens are closed, and two recalcitrant proprietors were fined and cangued.

Hunan Province.—Production, 3,000 piculs. At Changsha the authorities are sincerely in sympathy with the movement, and none of the local officials smoke.

The proprietors of dens—544 in number—have been compelled to give bonds to close within six months. Two dispensaries have been opened officially, and the poor are attended gratis. Two refuges were opened—one being subsequently closed, a single one being thought sufficient.

Close upon 200 cures are reported up to the end of September.

In the west of the province considerable official earnestness is shown, the dens closed, and rewards offered to any one who discovers illicit establishments. A census of each household is taken to facilitate the control of smokers.

Honan Province.—Production, 5,000 piculs. Little or nothing has been done in this province beyond the issue of the Proclamation. About 15 per cent. of the land is under poppy, and in the north of the province it is said that it is the feeling of uncertainty which prevents people from sowing more.

In one district, however, there is a reduction, and in another the crop was rooted up at the suggestion of the officials. But with these exceptions and the closing of the dens at Fukow no energetic measures have been taken.

Hupei Province.—Production, 4,000 piculs. At Hankow nothing has been done beyond threats of dismissal of officials, soldiers, and students, and, although dens have been closed in certain districts, shops still sell the drug. In some districts wheat has been sown among the poppies with the idea of replacing it, while in the north of the province the poppy area has, if anything, increased.

Ichang.—Nothing whatever has been done—no Proclamations issued, and one or two more dens have been opened.

Szechuan Province.—Production, 200,000 piculs, of which 182,000 is consumed in the province, practically no foreign opium entering this part of China. When these figures are compared with 330,000, the estimated total annual production of opium in China, it will be readily perceived how important a place this province holds in connection with the opium question.

The area of the province is said to be 167,000 square miles; that of the British Islands is 136,000. Sir Alexander Hosie, the Acting Commercial Attaché in Peking, who has spent five years in the province, has given the following account of the cultivation of opium in Szechuan:—

“The province was at one time the great wheat producer and exporter, but since the rapid extension of poppy cultivation that export has ceased and has been replaced by opium. It is too readily taken for granted that the cultivation of the poppy trenches on the food crops of the people, but it must be remembered that it is a winter crop, and shares the ground with wheat, rape, beans, peas, and barley. Szechuan still (in 1904) produces sufficient flour for home consumption, and the export of wheat of former years has given way to opium, which the farmer finds a far more profitable crop. An English acre of wheat will, on the average, yield grain of the value of 4*l.* 5*s.* 6*d.*, whereas a similar area will produce raw dry opium of the value of 5*l.* 16*s.* 8*d.*”

The population of the province is estimated at 45,000,000, and Sir Alexander is of opinion that 17 per cent. of the adults and 7 per cent. of the entire population are addicted to smoking.

In regard to the province generally, it may be said that, to start with, the authorities did not carry out the provisions of the Edict with any degree of completeness or sincerity, and that but little was done to abolish or restrict the habit. Matters have now improved, and official activity is more noticeable in many directions.

It must not be forgotten that the question is much more difficult to deal with in Szechuan than in other provinces on account of every one being personally interested in opium to a far greater extent than the inhabitants of any other province.

In Cheng-tu, the capital, the following steps have been taken to carry out the Decree.

Refuges for the cure of the habit have been opened, and though they are not much patronized, there appears to be a real attempt on the part of the non-official and shop-keeping class to overcome the habit, while the officials do little or nothing to stop their own smoking.

The 500 dens in the city have been replaced by 300 well-appointed official divans for consumption on the premises, and though this arrangement carries out neither the letter nor the spirit of the Decree, it is a step in the right direction, and the complete prohibition of smoking in a city of 400,000 inhabitants where 50 per cent. of the male population smoke would undoubtedly have caused disturbances.

All persons using these official divans have to register themselves, but except in the case of the coolie class the authorities are unable to enforce this order with any degree of thoroughness. The richer classes have either laid in a store of the drug or purchase it secretly. Smoking is effectively prevented in colleges, schools, industrial institutions, the police, and the army.

At K'ai Hsien, the largest opium-producing district in the province, where every available spot is under poppy, slight steps have been taken to obey the Decree. The Mandarin himself has given up the habit, and the yamên people have reported themselves. Some of the dens have been closed, and people have been beaten for smoking, but they are hostile, and destroyed four out of the twenty offices erected for collecting the opium tax.

In view of the unpopularity of the "tungshui" tax, which in some places the authorities were unable to collect, and in order to ameliorate the position of the opium merchants, the Acting Viceroy asked permission of the Board of Finance in Peking to revert to the former tax on opium, the objection of the people being that the tax deprived the poor of their pipe by making the price of opium prohibitive except as a luxury for the rich.

The result of the appeal to Peking was that the "tungshui" tax was abolished in July in favour of a tax of 27·28 taels per picul, with an additional tax of 5·28 taels for railway purposes on all opium, whether for local consumption or for export, this amount of 27·28 taels in the case of opium for export being divided into 20 taels as customs duty and 7·28 taels *li-kin*.

At Chungking half the dens were closed two years ago at the time the opium tax was increased, which shows the effect which taxation can have on the question.

An official Prepared Opium Office has been opened in the city for registering smokers, licensing smoking premises, and supplying the Government with prepared opium. The closing of the dens has been modified: 46 were allowed to remain open, 2 in each ward of the city, and this number was subsequently increased to 100, the proprietors depositing 50 taels guarantee for good behaviour. The poorer classes are registering themselves, and the rich have mostly laid in a store which makes them independent of the Government supply. The authorities show energy, fines, blows, and the cangue being administered, and a crusade carried on against unlicensed houses, illicit sale, and unregistered smokers.

The licensing system has not yet been adopted in the country districts, but it is to be on the basis of one guaranteed store in each village. In these districts most of the dens have been closed.

From Fushun a missionary reports that the dens have been reduced from thirty-six to seven. The officials are energetic, and great sympathy is expressed for the thousands of poor who work in the salt-well district and are unable to continue work without the drug. Heavy taxation has reduced consumption, and less ground is under the poppy than last year.

In the Luchow district many dens have been closed definitely, others reopened under the name of "The Silver Exchange."

In the north-eastern portion of the province many of the gentry have given up the habit; some have entered hospitals, others are said to have cured themselves. Many dens have closed of their own accord, and the gentry have combined together to purchase and manufacture anti-opium medicine.

At Suifu the dens have been closed three times without disturbance, but many have reopened clandestinely, and though the police occasionally make ostentatious raids, they usually connive at what they dare not suppress.

Kueichow Province.—Production, 15,000 piculs. All dens have been closed at Kueiyang, the capital, and a number of persons punished for taking in smokers.

An official Prepared Opium Bureau has been opened, also two refuges where 100 and 80 patients respectively are to be treated gratis.

In September, one had 10 indoor and 1,400 outdoor patients; the other, 7 indoor and 400 outdoor patients. Ninety days are allowed for the cure, which is said to be unnecessarily long, ten to fifteen being sufficient.

Yunnan Province.—Production, 30,000 piculs, of an estimated value of 1,000,000*l*.

The serious efforts of the Viceroy are looked upon by his subordinates, not only

without sympathy, but with positive dismay. He has dismissed all opium smokers from his yamèn.

In the neighbourhood of the city of Yünnan-fu there has been a considerable decrease in the area under poppy, but this is reported to be due less to the Decree than to the fact that the 1905-6 crop could not be sold at a profit, and that a large stock remained on hand. Both shops and dens have been inspected in the city, and the latter were subsequently all closed without disturbance.

An Anti-Opium Bureau has been opened to licence, regulate, and restrict the sale of opium, and in regard to the latter the authorities announced that the first year would be for exhortation, the second for zealous prohibition, the third for force.

The Bureau is actively at work, and eighty shops have taken out licences. To commence with, great difficulties were encountered in making a return of smokers owing to their reluctance to admit their vice. The manufacture and sale of opium utensils has ceased. Emissaries of the Bureau have visited each house and taken down particulars of every smoker and the number of lamps used. Preparations have been made to obtain returns of the area under poppy cultivation, which is to cease in the spring of 1910.

The sale of opium is to cease in July 1908, and an official Company is to purchase what is grown and sell it to those confirmed opium sots over 60 years of age who have been registered, and also, no doubt, to the Tonquin Régie (though this is not mentioned).

The Director of Agriculture has proposed that opium sots over 60 shall wear the red garb of a criminal, and be labelled, "So-and-so, Opium Convict," and the Governor has favourably received this proposal. There are some thirty-seven anti-opium drugs in use.

Thus it will be seen that a serious effort is being made to carry out the wishes of the Government.

Tengyueh.—Here the Regulations are not taken seriously by the people. Exhortation is not expected to have much effect on them, and the authorities dare not use force.

At Talifu the people are reported to have restricted the poppy area of their own accord and to be growing other crops.

The eleven Articles of the Opium Decree of November 1906 will now be considered one by one, together with the steps which have been taken to carry out their provisions, special attention being paid to the Province of Szechuan, where most opium is grown and consumed.

Article 1. Restriction of the cultivation of the poppy in order to remove the root of the evil.

In Szechuan, beyond general directions for the gradual reduction of the area under cultivation conveyed in the Viceroy's Proclamation, no definite steps have been taken to carry out this Article. If returns are being made of the area under cultivation, they are being prepared with great secrecy, though it is reported from two districts that orders have been given for a reduction of cultivation next year.

As the seed is only sown at the beginning of November, it is too early to form any reliable opinion as to what is being done in the matter.

Although in isolated instances in other provinces the cultivation of the poppy has been reduced, yet it may be safely said that in general no attention has been paid to this Article throughout the Empire, nor have the penalties for non-compliance with its provisions been imposed.

Art. 2. To issue licences to smokers in order to prevent others from contracting the habit.

In Chengtu, the capital of Szechuan, an attempt is being made to carry out this Article by ordering all persons using the official opium divans or purchasing opium from the official opium shops to register themselves. But it is only among the humbler classes that the authorities have been able to enforce these orders with any amount of success. The Chinese have an instinctive dislike to registration. Growing public opinion condemns the use of the drug, and hence a natural disinclination on the part of persons of any claim to respectability to avow themselves addicted to the habit. Registration of smokers has been carried out to a certain extent at Chefoo, Hangchow, Kiungchow, Nanning, Changsha, Chengtu, Chungking, Yünnan-fu, but in general it may be said that little or nothing has been done in this matter, although many instances have occurred of people considerably under the age of 60 not hesitating to register themselves as having reached that age, in order to insure to themselves the privilege of continuing the habit.

Art. 3. To reduce the craving for opium within a limited time in order to remedy chronic addiction thereto.

At Chengtu (Szechuan) the head Anti-Opium Bureau has issued Regulations providing for a limited quantity of opium being issued to each smoker, the amount to be reduced annually by 20 per cent.

These Regulations, however, have not been effectively carried out for the reasons given under Article 2.

In the rest of China this Article is practically a dead letter.

Art. 4. To prohibit opium houses in order to purify the abodes of pollution.

Of all the eleven Articles in the Decree, the above has met with most success.

In the Province of Szechuan, generally speaking, dens have been closed, licensed houses being opened in their stead.

In Chengtu the divans have been reduced from 500 to 300; in other towns the reduction has been on a smaller scale, but they are undoubtedly under stricter police supervision than in the past. Though dens have not been suppressed altogether, they have been improved and brought under official control, a much needed reform in a province where they were notoriously the resort of the criminal classes. For the rest of China it may be said that the dens have been closed in nearly all the chief cities and without disturbance, while the majority have been shut in the country districts.

Art. 5. To closely inspect opium shops, in order to facilitate preventive measures.

In Chengtu the Provincial Government, as in several other provinces, have gone somewhat beyond the scope of the spirit of the Article, and have endeavoured to create a monopoly of the manufacture and sale of the prepared drug.

Official opium stores have been established, and a limited number of retail opium shops have been licensed. The sale of prepared opium without a licence is made a criminal offence. No restriction has been placed on raw opium which can be purchased as desired, though boiling is prohibited, except in official store, where only an amount is allowed corresponding to that noted in the smoking licence.

In Chungking a similar procedure is in force, but elsewhere in the province the monopoly depends on the ability of the local officials to enforce it.

In the rest of China the shops are inspected and licensed in most cities, and are more or less under official supervision and subject to taxation, which is generally based on the amount of business done. Raw opium can still, however, without much difficulty be purchased by those who wish and can be prepared and smoked at home. Nevertheless, the opium den in China occupies very much the same popular position as the public-house in England, and its suppression is a very important step in the right direction.

Art. 6. To manufacture remedies for the cure of the opium habit.

This is one of the most difficult rules to carry out efficiently, not from the lack of remedies, but from the fact that those provided are either not efficacious in themselves or produce greater evil than that which they are intended to prevent.

Most anti-opium medicines contain either opium or morphia, and the efficacy of such cures is not infrequently limited to the period during which they are taken, while they have a tendency to introduce opium eating instead of smoking, replacing one vice by another, and introducing one more difficult to cure. In Chengtu opium refuges exist where medicine is supplied free of charge, but these establishments are not well patronized. In addition, the sale of opium remedies, for the most part spurious, is strictly controlled by the police.

In other places in the Province of Szechuan benevolent societies have been formed for the distribution of opium remedies, and a large number of people have applied to mission dispensaries for medicine. In most cases the applicants cannot be induced to undergo a course of treatment in the mission hospital. It is also noteworthy that the Chinese authorities do not invoke the assistance and advice of foreign medical men in the selection and preparation of opium remedies.

For the rest of China it may be said that refuges and anti-opium medicines are provided in nearly all the capitals and chief towns, and that they are within reach of the majority of the inhabitants of the Empire.

The morphia question is one which is of great importance in connection with that of opium, inasmuch as the Chinese have of late years taken a great fancy to it. It would

no doubt take the place of opium were the latter eventually suppressed had not the Chinese Government already taken steps to prevent this contingency.

By Article XI of the Commercial Treaty of the 5th September, 1902, between Great Britain and China His Majesty's Government undertook to prohibit the general importation of morphia into China, except for medical purposes, as soon as all other Treaty Powers agreed to this step. The Chinese Government on their side undertook to adopt measures at once to prevent the manufacture of morphia in China. With the exception of Japan, the consent of all the Treaty Powers has now been obtained, so that China is within measurable distance of seeing morphia eradicated.

Art. 7. The establishment of Anti-Opium Societies in order to promote the good movement.

In the Province of Szechuan the authorities have given little encouragement to such Societies, and have ordered them only to discuss opium and not current politics or questions of local government.

In the rest of China Anti-Opium Societies have been established in many of the capitals, some being under official auspices, others of a private nature. They display a certain amount of energy.

Art. 8. To charge the local authorities with the duty of leading the movement.

In regard to the Province of Szechuan, with the exceptions of the capital (Chengtu) and Chungking, it cannot be said that the local authorities have as a whole done much to help and encourage the anti-opium movement. The country officials are mostly smokers, their attitude lukewarm, and their action generally limited to the issue of the necessary Proclamations. As to the rest of China, the officials foremost in energy are those of the cities of Tien-tsin, Chefoo, Soochow, Shanghae, Nanking, and Foochow.

Art. 9. To strictly forbid the smoking of opium in order that an example may be set for others to follow.

This Article is practically a dead letter in the Province of Szechuan. The late Viceroy did issue an order to all civil and military officials throughout the province fixing a limit of six months in which to give up the habit, opium smokers in the meantime to report themselves to their superior officials in order that their names might be entered on a black list. No officials are known to have reported themselves; on the other hand, several officials, notoriously inveterate smokers, are retained in office.

In all Government colleges, schools, industrial institutions, the police, and in the army the prohibition is strictly enforced. Generally speaking, in regard to the rest of China, it may be said that not much progress has been made in the way of obeying this Article. There are instances of officials having given up the habit, and of attempts being made to do so; also instances of officials being dismissed, but they are few and far between.

The military authorities, however, are very strict about it in the Luchun (national army), and they profess to be equally so in the provincial armies, though it may be doubted whether the same energy is displayed in their case. The penalty for smoking opium in the army is death, but there is no proof of an execution having taken place. This, however, is negative evidence, as no foreigner is allowed to see a soldier punished. Lieutenant-Colonel Pereira, His Majesty's Military Attaché, is of opinion that, whilst officers in the first six divisions of the national army would not smoke, it is probable that there are cases in the national army in the provinces. In the capital the recent dismissal from office of a number of high dignitaries and Princes who had failed to break off the habit within the prescribed limit of time shows the continued interest taken in the movement by the Court.

The Imperial Maritime Customs issued two Circulars in December 1906 to those employed in the service, the one bringing the Decree to their notice, the other calling for a report in July 1907 giving the names of such subordinates in the service as still continue to use the drug, their age and length of service. The replies to this Circular, taken all round, have shown that smoking is not general among the native staff, and that where formerly indulged in it had in most instances ceased, or was being gradually given up.

It became necessary to dismiss a few whose efficiency had been diminished by the use of the drug.

Art. 10. To enter into negotiations for the prohibition of the import of foreign opium in order to close the sources of the supply.

No foreign opium is imported into the Province of Szechuan, which produces more than is required for its own consumption.

Negotiations are being conducted with His Majesty's Government, and the reply of the Chinese Government to the counter-proposals of the Indian Government is still awaited. The essential features of these negotiations were as follows: China proposed to annually restrict the import of Indian opium so that it would totally disappear within ten years, and in the meanwhile to double the import duty on Indian opium, which they alleged contained double the strength of the native-grown drug. The Indian Government, in reply, accepted unreservedly the good faith of the Chinese Government in putting forth this project of reform, were willing to face the eventual loss of 3,000,000*l.* annual revenue at present derived from opium, but suggested that instead of China restricting the import of Indian opium the Government of India should reduce the gross export from India for a period of three years, and that this progressive diminution should continue after these three years if within that period of three years the production and consumption of opium in China had been proportionately diminished by the Chinese Government, and if the restrictions of the import of Turkish, Persian, and other opium had been arranged for and carried out simultaneously. The proposed increased duty on Indian opium was considered undesirable for various reasons, and the Chinese contention as to the relative strength of the two kinds (Indian and Chinese) not proven. Here the matter stands, and the reply of the Chinese Government awaited.

Should these counter-proposals of the Indian Government be favourably received by the Chinese Government, it is much to be hoped that in approaching the Governments of the other Treaty Powers on the subject they will meet, not only with the same self-sacrificing spirit which has been shown by the Government of India, but with the same willingness to assist in the laudable endeavour to free the Chinese Empire from a national scourge.

The importation of Indian opium into China in 1906 was 53,430 piculs, while the total importation from other sources was only 795 piculs, from which it will be seen that the pecuniary interest of other countries in the trade is practically non-existent.

Art. 11. All Tartar Generals, Governors-General, and Governors of provinces should direct the civil and military authorities in their jurisdictions to issue Proclamations promulgating these Rules for earnest observance.

This Article has been complied with.

As foreign nations occupy a peculiar position in China by virtue of their Concessions, Settlements, and leased territories, it will be well to draw attention to the steps they have each taken to uphold or carry out the principles of the Opium Edict.

Germany.—No opium dens have ever been allowed in the two German Concessions at Tien-tsin and Hankow, and the same may be said of Tsingtao, the new town created in the German leased territory of Kiauchow.

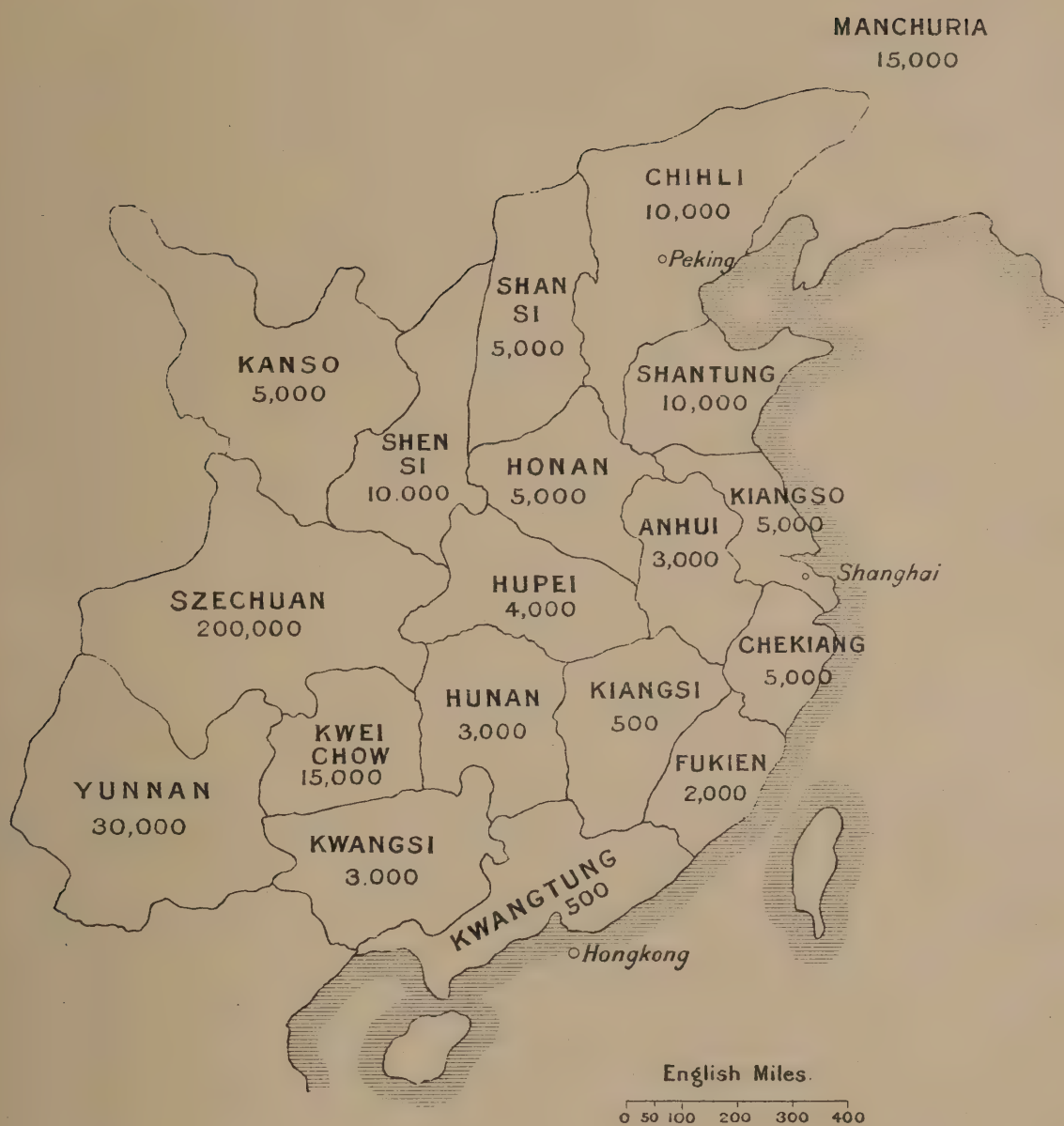
Japan.—No opium dens are permitted in the Japanese Concessions, as far as is known. In some of the Settlements measures are being taken, at the request of the Chinese authorities, to prevent smoking by Chinese, but at Antung there are any number of dens in use in the Japanese Settlement.

Russia.—There are only two Concessions, Hankow and Tien-tsin. In the former opium smoking is prohibited by order of the Municipal Council. In the latter the Russian Consul has been instructed to act with his colleagues in the matter of the suppression of smoking. In regard to the leased railway territory, the Administration has come to an understanding with the Chinese authorities with a view to enforcing the Opium Regulations in the near future.

America has no independent Concessions.

France.—All dens have been closed in the French Concession at Tien-tsin. At Shanghai, where there is an independent French Concession, the measures adopted have not been of so radical a nature. No new licences have been issued by the municipality since the 1st July last. The licence tax has been increased fourfold, and females prohibited from entering the establishments, with the result that twenty-five dens have found it necessary to close their doors.

England.—There are now no opium establishments of any kind in any of the British Concessions in China, and the International Settlement in Shanghai is the only one which has to be considered in connection with Article 5 of the Decree.



*The Figures represent the annual
production of piculs of opium in
each Province.
A picul is 133½ lbs.*

Any action which is taken in the matter rests with the Municipal Council, which is an international institution.

The Chairman has, through the Senior Consul, assured the Taotai of the Council's sympathy with the movement, and promised that as soon as there was evidence of *bona fides* on the part of the Chinese Government to give practical effect to the Decree the active co-operation of the foreign authorities in the International Settlement would follow.

On the 22nd June last the 700 native dens were closed, and the Taotai renewed his request that similar steps should be taken in connection with the 1,600 dens which exist in the International Settlement.

He was informed in reply that the course which had been adopted in the Chinese city of converting dens into shops for the retail sale of the drug, if adopted in the Settlement, would not tend to check the opium habit, and the Council suggested that, before they took action, some endeavour should be made to decrease the large areas in the interior under poppy cultivation.

The Council had also to consider the municipal finances, which look to opium as one source of revenue, and assert that before the month of March, when the annual meeting of ratepayers takes place, they had not the power to introduce any alteration in the system of taxation then in force.

Italy.—All opium dens have been closed since January 1907 in the Italian Concession at Tien-tsin, and a special Article is to be inserted in the Regulations for the Concession which are being drawn up, forbidding such establishments and commerce in future.

Belgium has one Concession only, at Tien-tsin, and opium dens have never been allowed in it.

Austria has only one Concession, also at Tien-tsin, and all dens have been closed in it since the 8th August, 1907.

No. 29.

Sir J. Jordan to Sir Edward Grey.—(Received January 23, 1908.)

Sir,

Peking, December 7, 1907.

WITH reference to my despatch of the 14th August last, I have the honour to transmit to you herewith copy of a note from the Wai-wu Pu, containing their reply to the counter-proposals of His Majesty's Government on the opium question, the substance of which was communicated to you in my telegram of the 4th instant.

The Chinese Government assent to the proposal of His Majesty's Government for a progressive diminution in the export of opium from India for a period of three years from the 1st January, 1908, on the understanding that if during this period the Chinese Government shall have duly carried out the arrangements on their part for reducing the production and consumption of opium in China, His Majesty's Government undertake to continue in the same proportion the annual diminution of the export after the expiration of the three years' period of trial. The Board, however, point out that the total average import of Indian opium into China during the years 1901-5 inclusive was, according to the Customs returns, not 51,000 chests as given by us, but only 42,327 chests of 120 catties each, and they request that the proportion annually diminished may be based upon the latter figure.

The import of Persian and other foreign opium will, they add, be correspondingly diminished.

As regards the dispatch of an officer to India to watch the opium sales, the Chinese Government accept the condition prescribed by His Majesty's Government, viz., that the officer so appointed shall have no power of interference.

Their proposal to double the duty and *li-kin* charges was, they explain, made merely with the view of restricting the use of the drug, and not for revenue purposes.

The three points on which His Majesty's Government have been asked for information in connection with this proposal cannot be fully determined at short notice, and the Board therefore propose to postpone the levy of the double duty and to reserve the question for future discussion.

The Board agreed to the proposal of His Majesty's Government for the prohibition of import and export of prepared opium between Hong Kong and China, and in

pursuance of the understanding that each Government should take measures to prevent smuggling into its own territories, they intimate that Regulations are being drawn up to prevent the smuggling of boiled opium in China.

Under the fifth heading His Majesty's Government agreed that, if effective steps have been taken by the Chinese authorities for the prohibition of opium shops, &c., outside the limits of foreign Settlements or Concessions, the municipal authorities of these localities should also take effective steps on their own initiative before being approached by the Chinese authorities on the subject.

This declaration the Board accept as evidence of the intention of His Majesty's Government to accord the fullest measure of support to the efforts of the Chinese Government, and they then proceed to state the steps which they have themselves taken for the suppression of opium beyond the limits of Settlements and Concessions.

With regard to the prohibition of the importation of morphia and instruments for its injection, the Wai-wu Pu state that they have secured the co-operation of all the Powers with the exception of Japan, whose reply will be communicated as soon as it is received.

In conclusion, the Board affirm that it is their earnest hope, with the assistance of Great Britain, to effect the complete eradication of the opium habit, and they hold it to be their duty to send still more stringent instructions to the local authorities for the energetic enforcement of the prohibitive measures.

I am forwarding copies of this despatch to his Excellency the Viceroy of India and his Excellency the Governor of Hong Kong.

I have, &c.
(Signed) J. N. JORDAN.

Inclosure in No. 29.

Wai-wu Pu to Sir J. Jordan.

(Translation.)

Sir,

Peking, December 2, 1907.

I HAVE the honour to acknowledge the receipt of your Excellency's various communications on the subject of opium prohibition, in which the views of His Majesty's Government, in response to the detailed proposals of the Board, are conveyed, and to express to your Excellency my high appreciation of the cordial support which His Majesty's Government have lent in the accomplishment of this task.

I have now the honour to communicate to your Excellency seriatim the present proposals of the Board :—

1. Our assent to the proposal to commence from January 1908 the annual diminution of the quantity of opium exported from India to China, with a view to its final cessation in ten years, was signified to your Excellency last February. It is now the month of December 1907, and January 1908, the period from which the annual diminution of the export is to commence, is already close at hand.

The Board are willing to accept the present proposal of His Majesty's Government to put the arrangement experimentally into effect for a term of three years, with the proviso that, if during that period the Chinese Government shall have duly carried out arrangements on their part for diminishing the production and consumption of opium in China, His Majesty's Government undertake to continue in the same proportion this annual diminution of the export after the three years' trial period.

The number of chests given as the annual import into China of Indian opium differs, however, from the Board's own estimate. According to the Customs Trade Returns, during the five years 1901 to 1905, inclusive, the average total import was only 42,327 chests of 120 catties each. It is requested that the proportion annually diminished may be based upon that figure.

The import of Persian and other foreign opium will, of course, be limited in a corresponding manner.

2. The dispatch of an officer to Calcutta to watch the opium auctions and the packing is merely with a view to ascertaining the exact quantity exported, and has no other purpose whatever. The proviso with which His Majesty's Government qualified their assent, namely, that such officer should have no power to interfere, will of course be notified by the Board to the officer sent.

3. The original proposal to double the duty and *li-kin* charge on foreign opium was made with a view to utilizing the tax as a restrictive measure, and not with a view to increasing the revenue.

His Majesty's Government have raised three points upon which they require information in connection with the proposed tax and the value of the native drug. These are not questions which can be fully gone into at short notice. The Board therefore propose to postpone for the time being the levy of the double duty, and to reserve the question for future discussion.

4. With reference to the prohibition of the import of boiled opium into China from Hong Kong, His Majesty's Government have agreed that each country should take steps to prohibit the import into its own territory.

The Board will therefore direct the various provincial Superintendents of Customs to draw up strict regulations for a careful watch to be kept to prevent the smuggling of boiled opium into China.

5. With regard to the measures to be taken in the foreign Settlements and Concessions for the prohibition of opium shops, resorts for opium smoking, and of the sale of opium appliances, His Majesty's Government have agreed that if effective steps have been taken by the Chinese authorities beyond the limits of such Settlements or Concessions, the municipal authorities of these localities should also take effective steps on their own initiative, without awaiting the request to do so from the Chinese authorities. The intention of His Majesty's Government to accord the fullest measure of support to the efforts of the Chinese Government is amply evidenced by this action.

Numerous Imperial Edicts have already appeared commanding that the measures to be taken for the suppression of opium beyond the limits of Settlements and Concessions by the local Chinese authorities should be energetically put into effect. Present appearances go to prove, therefore, that the consumption of opium by the lower classes is already showing a sensible diminution, a fact the truth of which your Excellency can ascertain by inquiry.

6. His Majesty's Government have signified that they are fully prepared to co-operate in prohibiting the general importation of morphia and instruments for its injection as soon as the consent of all the Treaty Powers has been obtained.

The Board has the honour to inform your Excellency that correspondence which has passed between the Chinese Government and the various Powers has shown that they all share the view of His Majesty's Government, with the single exception of Japan, from whose Government no reply has yet been received. When the Japanese Government have replied signifying their consent, a further note will be circulated among the foreign Representatives.

To sum up, it is the earnest hope of China to effect the final and complete eradication of opium. Seconded as she is by the assistance of Great Britain, it is incumbent upon the Board to convey orders of a still more urgent nature to the local authorities to give energetic effect to the prohibitive measures.

I have the honour to request your Excellency to communicate the terms of this reply to His Majesty's Government, and avail, &c.

(Signed)

Prince CH'ING.

No. 30.

Sir J. Jordan to Sir Edward Grey. — (Received January 27.)

(Telegraphic.)

Peking, January 27, 1908.

WITH reference to your telegram of the 4th instant, I have the honour to report that the Chinese Government now accept reduction of the total export of opium from India by 5,100 chests yearly, beginning with 1908. The Chinese Government desire that I should again express gratitude to His Majesty's Government.

I have informed the Government of India of the above.

No. 31.

India Office to Foreign Office.—(Received February 12.)

Sir,

India Office, February 11, 1908.

I AM directed by the Secretary of State for India in Council to acknowledge the receipt of your letter, forwarding a copy of a telegram from His Majesty's Minister at Peking, dated the 27th ultimo, on the subject of the restriction of the import of Indian opium into China.

In reply, I am to say that the Government of India will be informed that the Chinese Government, in lieu of their original proposal to restrict, by direct measures taken at the ports, the quantity of foreign opium imported into China in each year, have accepted the counter-proposal of His Majesty's Government that as regards Indian opium the restriction shall be of an indirect nature, and will be enforced by the Indian Government, which will limit the quantity of opium exported beyond seas to 61,900 chests in the present year, 56,800 chests in 1909, and 51,700 chests in 1910.

The counter-proposal was stated to be contingent on arrangements for the restriction of the import of Persian, Turkish, and other opium being made and brought into operation by the Chinese Government. I am to ask that information as to the measures which may have been taken in this respect may be obtained from His Majesty's Minister. I am, however, to say that the Government of India will be instructed to enforce immediately the restrictive measures which have been agreed to on behalf of India, without insisting on the prior fulfilment of the conditions that similar restrictions would be simultaneously enforced in respect of the import of non-Indian opium.

I am to suggest, for Sir Edward Grey's consideration, that when the discussion about raising the import duty on foreign opium is resumed by the Chinese Government, His Majesty's Minister might conveniently invite that Government to define and limit, as part of any arrangement that might be concluded, the powers of the Provincial Governments as regards the levy of licence or consumption taxes under clause 5 of the Additional Article to the Chefoo Convention, so as to secure the provisions of that Agreement from infringement. Attempts have been made to collect the "prepared opium" tax from others than the actual retailers, to convert it into a tax on unopened chests, or to make it fall more heavily on foreign than on native opium, and these attempts have given rise to considerable friction. If the consolidated duty payable at the ports is to be enhanced, it seems desirable that in return the Imperial Chinese Government should give some guarantee that opium which has paid the import duty shall not be unfairly taxed, against the terms of the Additional Article, by the Provincial Governments.

I am, &c.

(Signed) A. GODLEY.

CORRESPONDENCE respecting the Opium Question
in China.

[WITH MAP.]

*Presented to both Houses of Parliament by Com-
mand of His Majesty. February 1908.*

LONDON:

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